DOCUMENT RESUME

ED 464 397 EA 031 633

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TITLE Making It Count: A Guide to High-Impact Education Philanthropy.
INSTITUTION Thomas B. Fordham Foundation, Washington, DC.
PUB DATE 2001-09-00
NOTE 118p.
AVAILABLE FROM Thomas B. Fordham Foundation, 1627 K Street, NW, Suite 600, Washington, DC, 20006. Tel: 888-823-7474 (Toll Free); e-mail: fordham@dunsk.com.
PUB TYPE Books (010) -- Guides - Non-Classroom (055)
EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Elementary Secondary Education; Philanthropic Foundations; *Private Financial Support

ABSTRACT

The level of philanthropic giving to K-12 education in the U.S. is at an all-time high, yet there are instances in which large amounts of money bestowed seem to have vanished into the system without leaving lasting footprints or a meaningful transformation. The aim of this guide is to provide practical advice for philanthropists who are tired of the status quo and want to have their donations make a difference for all children. The guide begins with an overview of American education today. Chapter one can be considered as a primer on what is and is not working by way of policy-driven reform and why private intervention is needed. In chapter two, theories of change embraced by education reformers are discussed, and explanations are given on why some theories work better than others. Chapter three details issues that every reform-minded philanthropist should ask him or herself before writing a check. Some philanthropists are profiled in chapter four to demonstrate how theories of change work in practice. Chapter five focuses on the authors' own work and insights. Chapter six suggests strategies for advancing education reform goals. (Contains 26 references.) (RT)

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MAKING IT COUNT:

A GUIDE TO HIGH-IMPACT EDUCATION PHILANTHROPY

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MAKING IT COUNT:

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CHESTER E. FINN, JR.
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The Thomas B. Fordham Foundation
September 2001

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INTRODUCTION

WHY, DESPITE ALL the effort and money directed at reforming and renewing American public education, does it continue to fail so many students? Is this a hopeless case or can the system still be changed to serve all American children far better? What would a transformed, effective system look like? And what, if anything, can reform-minded philanthropists do to help make that vision a reality?

We believe that every young American deserves a top-notch education characterized by high academic standards, great teachers, and a strong commitment to developing the values, character, and skills necessary to thrive in the 21st century. A system characterized by equity and excellence: that's our dream and our mission, and we believe that nearly every philanthropist who gets involved in education reform shares it. *We also believe it is possible.* In these pages, we share with you some ideas for high-impact giving, whether your focus is local or national, whether your time and resources are modest or vast.

Why are we doing this? Because our own commitment to education reform is strong, because we seek more allies in this quest, because it's too urgent a national need for any willing contributor to waste time or squander money, and because, alas, many an earnest philanthropist has already tried to better our schools, only to be dismayed by the lack of

lasting, tangible results. Good intentions abound, but many well-meaning efforts have yielded scant reform. We'd like to solve that problem.

A year ago, we examined what was, back in 1993, the largest gift ever bestowed on K-12 education: Ambassador Walter Annenberg's $500 million grant to reform American public schooling. Our report, *Can Philanthropy Fix Our Schools?* asked whether this princely sum had made any difference in three of the major cities that received "Annenberg Challenge" grants: New York, Chicago, and Philadelphia. While we found good things that had happened to individual schools in these cities, on the whole the money seemed to have vanished into the system without leaving lasting footprints, certainly without achieving anything like a transformation.

What, we asked ourselves, might reform-minded philanthropists do that would produce clear results and bring change to more than individual classrooms and schools? While puzzling over this important question, we ourselves have been trying to make a difference on the ground in Dayton, Ohio, where the Thomas B. Fordham Foundation has its historic roots and a sense of community responsibility. From that direct experience, from our Annenberg appraisal, from long immersion in education reform issues, and from research and observation, we've distilled some lessons for philanthropists looking to make a discernible difference for kids.

In this guide, we share what we've learned—and have come to believe—about how philanthropic dollars could be deployed on behalf of real improvement in American K-12 education. We conclude that well-directed private dollars and energies can expand opportunities for children in the immediate future while also leveraging long-term change in the education system. Our aim is to provide practical advice for the philanthropist who has tired of the status quo and who believes that all children need excellent educational opportunities.

The level of philanthropic giving in the U.S. is at an all-time high, as is the public's concern with the quality and performance of our schools. The "new economy" has created an army of eager and, for the most part, tough-minded philanthropists, many of whom are open to new ideas about effective giving. And the doors to change are swinging wide, thanks to the spread of two promising strategies: *standards-based* reform and *competition-based* reform. If the private sector astutely advances these two

strategies—and develops the important intersection between them—we believe it will help to transform U.S. education in ways that public policy alone cannot.

The guide begins with an overview of American education today. View *Chapter One* as a primer on what is and isn't working by way of policy-driven reform and why private intervention is needed. In *Chapter Two,* we discuss the foremost *theories of change* embraced by today's education reformers and philanthropists and explain why (and when) some theories work better than others. *Chapter Three* details the issues that every reform-minded philanthropist should ask him or herself before writing a check.

In *Chapter Four,* we profile some philanthropists who are active in education reform to demonstrate how these theories of change work in practice. Each profile highlights a particular project and supplies information about its goals, scope, costs, and timelines, as well as our appraisal. In *Chapter Five,* we turn the spotlight on ourselves and share some of what we've done and learned in Dayton. Finally, *Chapter Six* is intended to help you devise a practical strategy for advancing your own education reform goals. It also provides an extensive resource list.

This guide doesn't claim to be the final word on education philanthropy; the reforms we favor are still relatively new and there are surely other ways to foster them. We seek only to offer a starting point and initiate a dialogue. We invite your feedback. And we'll be around to discuss developments, answer questions, and absorb suggestions via our website—www.edexcellence.net/philanthropy—or in person. We hope this guide will assist you to think "outside the box" with regard to education philanthropy—and teach us a thing or two about what's possible.

In this spirit, we have also commissioned a set of papers from respected experts that probe more deeply into topics like "venture philanthropy" and what it means for education; the history of education philanthropy; evaluating education reform projects and programs; and how philanthropy can help boost teacher quality. These insightful pieces will be available on our website.

Our thanks to the analysts and philanthropists who participated in this guide's development; to Louis James and Alexander Russo, who did

much of the preliminary research; and to our advisory team, whose members helped fine-tune the ideas presented here: Linda Brown, MacKeever Darby, Scott Hamilton, Gisele Huff, Ed Kirby, Les Lenkowsky, Bruno Manno, Susan Mitchell, Fritz Steiger, and John Stevens. Their input was invaluable. Thanks also to interns Jacob Loshin and Colleen Manning, and to research associate Kelly Scott, for their help on this project.

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CHAPTER ONE

WHAT YOU SHOULD KNOW ABOUT EDUCATION REFORM

IMPASSIONED CRIES TO reform American primary and secondary education are nothing new. In the past two decades, however, calls for renewal have assumed greater urgency. This began in 1983 when the National Commission on Excellence in Education issued its clarion report, *A Nation At Risk: The Imperative for Education Reform,* which documented the weak performance of U.S. schools and warned of dire consequences if the problems were not addressed. The commission's words set off a remarkable wave of efforts to reform our education system. Yet real gains have been elusive. By the 2000 presidential campaign, education reform still sat firmly atop the national agenda, a problem far from solved.

Why so much effort (and expenditure) with so little payoff? It turns out that the K-12 public education system is exceedingly resistant to change. This $326 billion-a-year near-monopoly, with over 90,000 schools, 2.9 million teachers, and 46.9 million students, suffers from an acute case of inertia even as it is vulnerable to innumerable transient fads. Entrenched interests, which mainly tend to the needs of adults rather than children, block any meaningful change that might undermine their power and influence.

> *Perhaps in the past it was possible to undereducate a significant portion of the population without causing serious harm to the nation. No longer. Education, today more than at any time in the past, is the key to successful participation in society...The society that allows large numbers of its citizens to remain uneducated, ignorant, or semiliterate squanders its greatest asset, the intelligence of its people.*
>
> —DIANE RAVITCH, *Left Back: A Century of Failed School Reforms*

Adding to the confusion are our shifting expectations for the education system. At one time, "minimum competency" was the main goal for U.S. schools; excellence was a bonus achieved only by a few. Now, with a new economy, new millennium, and new levels of technology, skills once reserved mainly for elites are the skills that everyone needs. These include analysis, creativity, interpretation, effective communication, and imaginative problem solving. With such skills, one can look to a successful career and gratifying life. Without them, one is apt to be stuck on society's margins. Hence the motto of today's education reform is academic excellence for all. Yet we're still working within the organizational arrangements of the industrial age. Simply stated, we have an education system that isn't yet ready to meet today's demands.

TODAY'S EDUCATION SYSTEM

Let's stipulate that there is a problem and that it's serious. The United States may now be the world's only superpower, yet study after study shows our students ranking poorly in academic skills compared with their peers in other lands. The National Commission on Mathematics and Science Teaching for the 21st Century (chaired by former astronaut and senator John Glenn) reported in September 2000 that the warnings of *A Nation At Risk* still hold true.

Before It's Too Late: A Report to the Nation states:

> In an age now driven by the relentless necessity of scientific and technological advance, the current preparation that students in the United States receive in mathematics and science is, in a word, unacceptable.

Recent reports of the performance of our country's students from both the Third International Mathematics and Science Study (TIMSS) and the National Assessment of Educational Progress (NAEP) echo a dismal message of lackluster performance, now three decades old; it's time the nation heeded it—before it's too late.

What do the data show?

The Third International Mathematics and Science Study (TIMSS) found in 1995 that U.S. high-school seniors ranked 19th out of 21 industrialized nations in math and 16th in science. Among the 41 countries participating in the study, U.S. 4th graders ranked above average in math and science, 8th graders scored about average, and 12th graders came in near the bottom. As former education secretary William J. Bennett has noted, the United States appears to be the only country whose children "get dumber" the longer they're in school. Nor was this a one-time snapshot. In December 2000, the Department of Education released findings based on a 1999 repeat of the TIMSS study. These showed that:

- American students continue to perform well in 4th grade, but by 8th grade, their math and science scores still drop off.
- Indeed, between 1995 and 1999, there was no improvement in U.S. 8th grade mathematics and science scores, which remain distressingly low compared with other advanced nations (see chart, page 12).
- Our 8th graders are much less likely than their international peers to be taught math by a teacher with a degree in mathematics. (In 1999, 41 percent of U.S. 8th grade students had a math teacher who majored in that subject; the international average was 71 percent.)
- U.S. 8th graders are also more likely than their international peers to be taught science by a teacher who majored in education, not science.

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U.S. CHILDREN LAG BEHIND IN MATH AND SCIENCE:
8th Grade Results from 1999 TIMSS Study

Math:	Science:
1.) Singapore	1.) China
2.) Korea	2.) Singapore
3.) China	3.) Hungary
4.) Hong Kong	4.) Japan
5.) Japan	5.) Korea
6.) Belgium	6.) Netherlands
7.) Netherlands	7.) Australia
8.) Slovak Republic	8.) Czech Republic
9.) Hungary	9.) England
10.) Canada	10.) Finland
11.) Slovenia	11.) Slovak Republic
12.) Russian Federation	12.) Belgium
13.) Australia	13.) Slovenia
14.) Finland	14.) Canada
15.) Czech Republic	15.) Hong Kong
16.) Malaysia	16.) Russian Federation
17.) Bulgaria	17.) Bulgaria
18.) Latvia	18.) **United States**
19.) **United States**	19.) New Zealand
20.) England	20.) Latvia

NOTE: List shows the top twenty countries.
SOURCE: Third International Math and Science Study; 1999 Benchmarking Achievement Report.

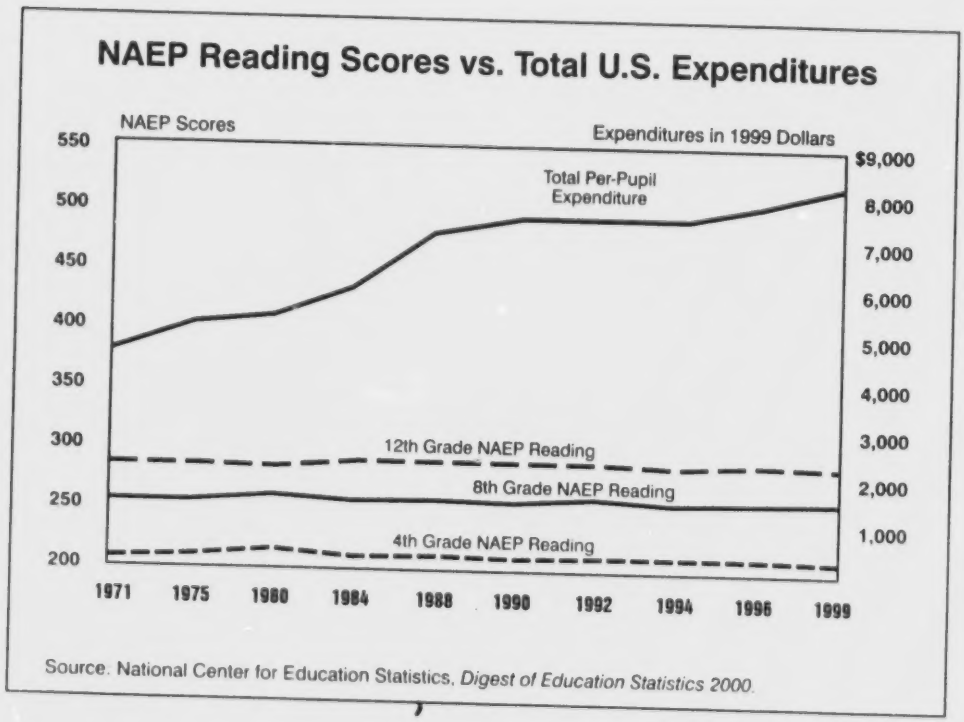
The National Assessment of Educational Progress (NAEP) reveals that our achievement woes aren't confined to science and math; they also include reading, writing, history, civics and other subjects. NAEP is our best domestic "report card." In a recent review of 30 years of NAEP scores, Tom Loveless of the Brookings Institution characterized U.S. students' progress in reading as "treading water." The scores are both flat and unacceptably low. In 2000, 37 percent of U.S. 4th graders ranked "below basic" in reading—i.e., they cannot actually read. When disaggregated by race and income, an astounding 63 percent of black 4th graders fell "below basic," as did 58 percent of Hispanic youngsters and 60 percent of those from low-income families.

Indeed, poor and minority youngsters continue to get the short end of the education stick. Despite Lyndon Johnson's launching of the "Great Society," with its many federal programs (e.g., Title I, Head Start) meant to narrow the achievement gap between rich and poor, little narrowing

has occurred. The federal government has poured more than $100 billion into improving education for poor and minority children (never mind what states, communities, and private donors are spending), *yet the average educational attainment of 12th grade minority students is approximately equivalent to that of white 8th graders.* Even more troubling, as the education system continues to fail to teach minority and poor children to read, it has unnecessarily classified millions of such youngsters as "learning disabled" and placed them in "special education" classes, a place from which few emerge with a decent education.

Our nation remains at risk. This problem must be solved if America is to thrive in the 21st century. Almost two decades of earnest reform efforts have produced little but incremental changes, changes that are often snuffed out by the next passing notion of how to transform our schools. The upshot is a cycle of marginal reforms that keep the system largely intact and virtually immune to consequences for shoddy performance.

Meanwhile, the clamor for more money continues as innumerable



Source: National Center for Education Statistics, *Digest of Education Statistics 2000.*

"stakeholders" lobby Congress, legislatures, and local officials for larger appropriations and bigger budgets. The teacher unions demand more pay for their members and (via smaller class sizes) more members. State and local education systems fight for increases in per-pupil spending. Yet the relationship between money and learning remains shaky at best. School spending has increased steadily, far outstripping changes in the cost of living, but systemic improvement has not followed. From 1960 to 1999, per-pupil expenditures in U.S. public schools grew (in constant 1998-99 dollars) from $2,638 to $7,896. During the same period, the student-to-teacher ratio dropped from 26:1 to 17:1. Yet scores stayed flat. Clearly the system requires something more than money.

WHAT TO DO?

Stubborn as the problems appear, we see reason for hope, provided that we are willing to *transform* rather than tinker with the delivery system itself. What we believe will do the most good for children is a redesigned system marked by *high academic standards* for all children and *competition* among providers.

These two complementary reform strands, properly entwined, would ensure that teachers and schools are held accountable for teaching *all* their students to high academic standards. They would also enjoy the freedom to run their schools as they see fit and in response to market signals. Let parents become demanding consumers who can leave a school that's not doing a good job, and let schools change or close if nobody wants to attend them.

While neither "standards-based" nor "competition-based" reforms have been in place long enough or on a large enough scale to settle all questions about their optimal design or ultimate effectiveness, we believe they hold the best promise of transforming the system.

The *Education Freedom Index* (EFI), published by the Manhattan Institute in September 2000, offers powerful evidence that competition does indeed "lift all boats." Researcher Jay Greene rated the states on how much freedom they give families to choose their children's schools.

After ranking the 50 states according to this index—Arizona came out on top, Hawaii at the bottom—Dr. Greene compared education freedom with NAEP and SAT scores. The results were striking: "freedom" had more than nine times as much impact as per-pupil spending, and 18 times the impact of household income. A one-point increase in EFI leads to a 24-point increase in both SAT verbal and math scores.

Research into the effects of school choice at the micro level is also promising, especially for African-American students. Harvard political scientist Paul Peterson has led careful studies of privately funded scholarship (or "voucher") programs to see whether low-income children benefit academically when their families are able to choose a private school. Using a high quality randomized experiment design—very unusual in education research—Peterson's team tracked the performance of scholarship winners and losers for two years in three cities. They found that low-income black students attending private schools of their choice with the help of scholarships made significant academic gains in both reading and math, well ahead of their peers who remained in public schools. Dr. Peterson explained that if these findings "hold up over time, vouchers for students beginning in elementary school may help eliminate the black-white test gap."

Yet just creating an education "market" is not enough; schools and educators must also know what they are expected to achieve. Standards-based reform is the key here. It delineates specifically what children should learn at various grade levels, measures whether and how well they have learned it, and holds schools accountable for making it happen. It sounds like common sense, but the reality is that America's education system has long suffered from a *laissez-faire* attitude about what students should learn, leading to different expectations for students from different backgrounds and communities.

Standards-based reform has been underway for more than a decade. It appeals to policymakers of all political persuasions and is occurring in some form in every state. Recently, the federal government has upped the ante with legislation that attaches consequences to states' success in implementing standards-based

reform. Today, the states vary widely in this regard. Most are fine-tuning their standards, testing, and accountability programs to be sure they are challenging yet fair. Some, alas, are already flinching in the face of a backlash from constituents who do not like high-stakes testing.

Common sense dictates that standards-based reform will pressure schools into achieving at higher levels, so long as *bona fide* accountability measures are attached. And, indeed, the results already look promising for states that have persevered with standards-based reform. Texas and North Carolina got an early start developing a standards-and-accountability system, and RAND researcher David Grissmer found that their NAEP gains between 1992 and 1996 outstripped those of other states. Grissmer ascribed these gains to the states' rigorous accountability systems.

A ROLE FOR PHILANTHROPY

In a perfect world, those who run our education system would make the tough decisions and install the necessary reforms to achieve academic excellence for all students. They would do whatever it takes to assure that every child learns, even if that entailed replacing current structures with something different. But no monopolistic entity willingly changes itself. As a result, many of today's "reforms" are so diluted and cramped that they cannot be counted on to effect major change. And while plenty of policymakers support competition-based and standards-based reform, many others remain invested in the existing education structures and assumptions. This leaves public policy gridlocked in many jurisdictions, caught between the vested interests of the status quo and the pressure for better results that emanates from parents and reformers.

This is where the philanthropic sector can usefully step in. Private individuals and organizations do not (usually) have to worry about the wrath of the vested interests that benefit from today's education structure. They can spend their dollars exactly where they seek to do the most good. If they direct their money, energy, and influence toward the right targets—competition-based and standards-based reforms—their leverage will help move the system itself. The philanthropic sector—America's unique blend of private organizations with public-minded goals—has the freedom of action to push on the right pressure points, and it has clout that most parents lack.

The philanthropic sector has previously shown that it can respond in situations where others are paralyzed. A century ago, when belief in the value of a literate public exceeded the public's means to do much about it, philanthropists—famously including Andrew Carnegie—built libraries in almost every town. When government didn't provide adequate schooling for former black slaves, John D. Rockefeller contributed a portion of his fortune to the creation of education opportunities (in K-12 and college) to be available "without regard to race, sex or religious creed."

Today, the will to spur education reform is strong, and, thanks to the unprecedented wealth creation of the "new economy," the philanthropic impulse seems stronger than ever. Ambassador Annenberg may have been the first of the mega-donors in the new era of education philanthropy. But others have followed him. James Barksdale, former CEO of Netscape, made a gift of $100 million to improve reading instruction in Mississippi's public schools (profiled in Chapter Four); Bill Gates topped this with a $350 million gift to improve public schools nationwide—and then announced a $1 billion scholarship fund for minorities; Kathryn and Joe Albertson have donated $110 million to public schools in their home state of Idaho; and Eli Broad has promised more than $100 million to support projects in various urban school districts.

Will such enormous donations help transform the public education system or will they prop up the status quo? In the next chapter, we begin to answer this question by examining the various ways that philanthropists approach education reform.

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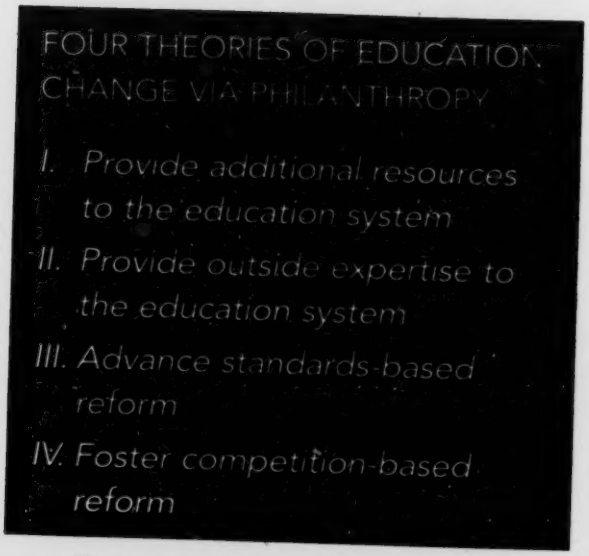
CHAPTER TWO

SEEKING SOLUTIONS THROUGH PHILANTHROPY

OVERVIEW

BEHIND EVERY REFORM endeavor is—or ought to be—a theory of change. If you seek to alter something, after all, you are well advised to think about what actions are most apt to bring about the changes you want. What's the mechanism? The source of leverage? The links from intention to action to result?

Such questions sharpen in the realm of education reform. This is not an area where we can afford to waste more time, money, or energy on good intentions gone awry. Too often, America's hopes for dramatically boosting the performance of her children have been dashed by feckless reform efforts, including grand schemes mounted by optimistic philanthropists and over-confident foundations. It's time to demand more bang for those many bucks. Which means reformers need to know with reasonable certainty how their resources and energies can best be targeted to maximize the odds that they will yield the desired result.


FOUR THEORIES OF EDUCATION CHANGE VIA PHILANTHROPY
I. Provide additional resources to the education system
II. Provide outside expertise to the education system
III. Advance standards-based reform
IV. Foster competition-based reform

We have identified four theories of change that animate most philanthropic activity in the K-12 education reform sector today. Two of them tend to trust "the system" and seek to strengthen or augment it. The other two depend on creating outside pressure and stimulus to change the system itself. To be sure, some reform efforts engage more than one theory; we do not suggest that they're always mutually exclusive. We do, however, feel it's useful to understand them separately. In this chapter, we explain the four theories and begin to discuss how they can be put into practice. Then we underscore the role that research and evaluation should play in every philanthropic effort, no matter what theory drives it.

Theory one—call it "helping the system"—assumes that the people running public schools are well intentioned and essentially competent but lack adequate resources to do a better job. Philanthropists who subscribe to this theory typically funnel resources directly into the system, often through donations to schools or school districts. They might pay for new technology, teacher training, prizes, field trips, tutors and mentors, additional staff, new textbooks, or special programs for kids with various needs.

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Theory two—call it "supplying expertise"—also presupposes that the present system means well, but judges that it lacks the requisite expertise and therefore needs technical assistance. Donors who embrace this theory typically seek to improve performance by providing schools with experts, advisors, and trainers, sometimes through intermediary organizations that are formally outside the school system but disposed to work in "partnership" with it.

Most education philanthropy rests atop one or both of these first two theories of change. Partly this is because many donors think of themselves as "helping" the public schools rather than "transforming" them. They are encouraged to think this way by the education establishment's tendency

to brand all other reform strategies as hostile to public education. Even shrewd business leaders often abandon their customary bottom-line focus when they turn to education reform, lest they risk being labeled enemies of the public schools. It's so much nicer to be thanked by the superintendent!

Sometimes, to be sure, it can make sense to contribute to the system or to organizations that "partner" with it. But only in the right circumstances, only where the stars are aligned for such a contribution to advance a sound transformation strategy that's already underway. Most of the time, adding resources to the existing system doesn't yield worthwhile results because it doesn't trigger basic changes. Indeed, one wouldn't expect it to, inasmuch as the change theory on which it rests trusts the system to do the right thing.

Theory three entails what is commonly termed "standards-based reform." It seeks to develop ambitious standards for the skills and knowledge that students should acquire, dependable tests to assess that learning, and accountability measures—rewards and sanctions—to motivate children, educators, schools, and school systems to change their practices so as to ensure that all students do in fact attain those standards. This theory holds that the surest way to elicit stronger performance is for outside forces to press upon the system, rewarding success and applying consequences in the event of failure. Thanks in no small part to business groups that understand the ability of well-designed standards and accountability systems to boost productivity, nearly every state has a standards-based reform program underway. At President George W. Bush's behest, Congress has nearly finished work on legislation meant to tug states even further in this direction.

Theory four also works from outside the system, but relies on marketplace, or competitive, forces rather than top-down pressure. It's based on the belief that schools are more effective when they're accountable to their clients and must work to attract students (and revenue). Its adherents also believe that achievement is most apt to improve among students enrolled in schools that they want to attend. This is an anti-trust strategy grounded in the view that monopolies don't do any better at educating children than at delivering the mail. Theory four shifts power to parents, enabling them to select their children's schools and obliging schools to compete for pupils.

Some people view theories three and four as rivals. We see them as complementary, even interdependent. Standards-based reform sets goals for student achievement and provides clear, comparable information about how each school is doing at meeting those goals. Competition-based reform then allows parents to use that information to choose schools that produce results (and allows schools continuously to assess their own progress). Schools that fail lose customers; those that succeed find their enrollments—and resources—rising.

Now let's look more closely at each of these four theories of change. In Chapter Four, we provide examples of how some of today's philanthropists are putting them into action.

THEORIES ONE AND TWO

Because they're rooted in a similar belief—that the education system is amenable to improvement but needs help to make that happen—we discuss theories one and two together. They embody what hundreds of foundations, corporations, and individual donors have done for decades, and what former Ambassador Walter Annenberg carried to a new level when, in 1993, he offered an unprecedented $500 million to improve K-12 education in the United States.

Annenberg asked prominent educators to advise him on how this huge pot of money would best be spent. Like most denizens of the education system, they reached for theories one and two. Funds from the "Annenberg Challenge" were channeled primarily into nine large urban districts, through outside organizations that provide expertise to the public schools. Matching dollars had to be raised locally. Each consortium receiving an Annenberg Challenge grant was expected to design a reform plan that responded to its district's unique needs and then work with interested parties inside and outside the school system to implement that plan. These teams had wide-ranging freedom to do as they thought best.

To see what came of this, the Thomas B. Fordham Foundation asked analysts to examine the Annenberg Challenge as it played out in Chicago, New York City, and Philadelphia. The full report is available at www.edexcellence.net/library/annenberg/annenberg.html. (We can also send you a hard copy upon request.) The bottom line is clear—and dis-

appointing: the Annenberg Challenge failed to bring about lasting change in these cities.

Sure, its activities were sometimes useful and often welcome; individual schools and students doubtless benefited while they lasted. Reviewing the Challenge's own reports, one finds lists of programs created, activities undertaken, and partnerships formed. One can even find evidence that some schools and students made gains. (Other analysts say that some participating schools' test scores actually worsened.) Nothing, however, suggests that the Annenberg Challenge leveraged enduring changes that will improve the overall quality and productivity of the school system itself. The results are too random and transitory. (You can review them yourself at www.annenbergchallenge.org.) Alas, that means Ambassador Annenberg has lamentably little to show for his splendid gift.

What went wrong? Why couldn't a well-funded army of experts, working in their home territories, inspire real reform in their local school systems? Participants and observers offer various explanations. In our view, the main explanation is that the Annenberg Challenge posed no challenge to the system itself. It didn't have to change—there were no consequences for not improving. There was no threat to the monopoly. Why, in retrospect, should anyone have expected durable reform to occur? Let us keep in mind that, with rare exceptions, education systems—like other public and private monopolies—change only when they must.

Happy Exceptions

Sometimes theories one and two make sense—if the circumstances are just right. The system must already be in the throes of promising changes and the philanthropic dollars must be directed to high-yield activities that advance the change process. For instance, providing schools with the means to teach proven curricula, such as phonics-based reading programs in the early grades, can be a valuable contribution, so long as the system is prepared to use such programs.

When the school system is already responding to competition by taking steps to serve students better, it can also make sense to assist that process with resources and expertise. Say, for example, the public school district

has seen an exodus of children to local charter schools. If it responds by encouraging its own schools to compete by developing distinctive missions and letting parents choose among them, philanthropists could certainly help those schools gain access to the best resources that research has to offer. Where the state has imposed a 3rd grade reading test that all children must pass, philanthropists can assist schools to acquire the instructional materials and expertise to do a better job of teaching 1st and 2nd graders to read. The goal is for all schools continuously to improve until all their pupils reach high standards; when the system begins turning itself around, philanthropists can usefully lend a hand. Where no such turn-around effort is underway, however, they are apt to find their money spent unproductively.

THEORY THREE (STANDARDS-BASED REFORM)

One of the most exasperating features of American public education has been its prolonged failure to spell out clearly what students are supposed to learn. For decades, nearly every school system, often each school, sometimes each classroom, functioned as an autonomous entity that was largely free to set its own goals, standards, and expectations. All too frequently, they were set low. Or none were set, the assumption being that each teacher's professional instincts would cause her pupils to learn what they should or that the children's natural curiosity would draw them to desirable destinations. It should be no surprise that millions of young Americans have been passed from grade to grade, even graduated from high school, without knowing nearly as much as they should.

That's begun to change, initially in response to *A Nation At Risk*, then in the aftermath of the 1989 governors' "summit" on education and the resulting national education goals. Policymakers realized that the place to start reforming the education system was by spelling out the skills and knowledge that children should be expected to possess at various stages of their school careers. This move to set academic standards (usually at the state level) has been joined by the creation of testing and accountability systems designed to show how well students and schools are doing—and to reward and sanction

Quality companies regularly set goals (our equivalent of academic content standards in education). They measure progress in all operations. And they use the information gained from assessments to make continuous improvements. Just as business must constantly monitor and make adjustments for progress, schools focused on performance and student achievement cannot succeed unless they know what they are trying to accomplish and can measure their progress towards these goals.

EDWARD B. RUST, JR., Chairman of the Business Roundtable Education Task Force, Chairman and CEO of State Farm Insurance Companies

them on the basis of that information.

Standards-based reform enjoys great prominence and enthusiastic support from many public officials, business leaders, education statesmen, and philanthropists. It is also the centerpiece of President George W. Bush's "No Child Left Behind" plan to revitalize federal education programs. Note, however, that it's an outside-the-system strategy, usually imposed and enforced by noneducators. Today, some states are doing well with standards-based reform; a few are even showing promising academic gains. Others, though, are dithering, seemingly unable to get beyond slipshod standards, ill-conceived tests, and weak or nonexistent consequences. Worse, we can also see signs of "backlash" from a public unaccustomed to high-stakes testing. As a result, some jurisdictions are backing off, deferring consequences, and easing their standards.

For philanthropists wishing to alter the performance of public education, standards-based reform still holds much promise. Many business leaders and corporate philanthropies have already been instrumental in advancing it. Some have involved themselves in every stage: pushing public officials to adopt standards, assisting with the drafting of those standards and the creation of new assessments, providing ways to make test results accessible to the public, and mustering support for this reform strategy in times of controversy and backsliding.

The affinity between business leaders and theory three is obvious: frustrated with the meager skills of the incoming workforce, the private

sector views standards-based reform as a way to push the education system toward higher levels of achievement—toward the skills and knowledge that employers seek. This would save time and resources otherwise needed for remediation. Moreover, this is how business executives typically solve problems in their own enterprises: create specifications for the desired product, then build, test-market, and fine-tune that product, all the while holding each part of the firm accountable for the quality of its work and the success of the product. Most successful enterprises set high standards and measure their progress against them. Business leaders, by nature "bottom line" people, have an intuitive feel for making schools more transparent and the people in them more accountable for results.

THEORY FOUR (COMPETITION-BASED REFORM)

The fourth theory of education change arises from the belief that all monopolies work badly and that government monopolies work even worse. They foster low quality, ignore consumer preferences, and resist change. The way to trigger serious education reform, therefore, is to crack the public school monopoly, introduce competition, and give people choices.

This is not just about economic and political theory. The social justice argument is even more compelling. In today's America, the education options for wealthy families are plentiful: they can move to neighborhoods with good schools or opt for private ones. For them, the monopoly poses no great barrier. It is poor people whose prospects are dimmed by failing schools and who have limited power to escape. It is poor families whose children are most often trapped in the worst schools. Hence introducing competition into the education system is especially beneficial for disadvantaged youngsters: it gives them better schooling options in the near term, while prodding the "system" to become more responsive over the longer term.

Philanthropists who embrace this theory of change typically direct their money and energy into reforms that create competition for or within the system. Their goal is to transform K-12 education into a vibrant marketplace where multiple providers vie for students. This is intended to foster efficiency, diversity, customer-responsiveness, and institutional productivi-

Private scholarship programs provide the neediest families with better educational options for their children today. These families—these kids—simply do not have years to wait until the public schools figure out how to serve them. There is nothing in the world like providing families with what is usually their first opportunity to have real power in choosing their students' schools.

—FRITZ STEIGER, *President, Children First America*

ty, sometimes even profitability. Elementary and secondary schooling would thus come to resemble America's well-regarded system of higher education, where institutions of all sorts compete for students—and for private and public dollars.

Support for such strategies has grown and the range of market-style education reforms has widened. Indeed, much has changed since Nobel Prize-winning economist Milton Friedman introduced the idea of *publicly financed school vouchers* in the 1960s. Even as vouchers have been enacted on a limited basis (and in differing forms) in Milwaukee, Cleveland, and Florida, they've been joined by *privately financed vouchers, charter schools,* and *education tax credits and deductions.* These differ in important ways but all rely on market mechanisms to create education options for needy children while bringing external pressure to bear upon the traditional system. These reforms are often referred to as "school choice" reforms.

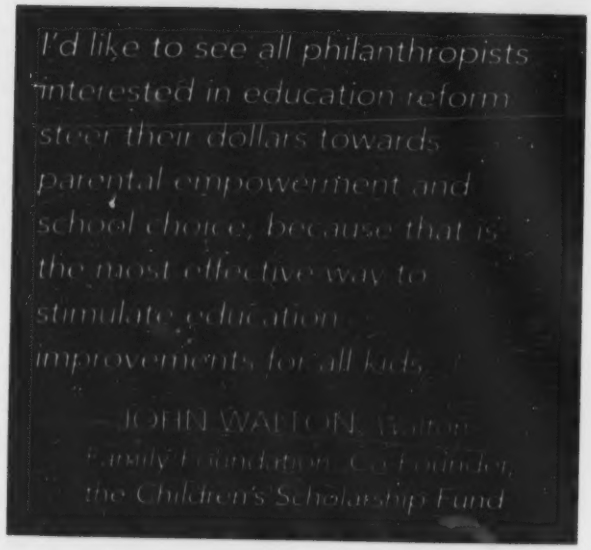
As Americans, we believe that competition, freedom, choice, and equal opportunity are good things. It's time we instituted a system that applies these common values to public education.

THEODORE FORSTMANN, *Senior Partner, Forstmann, Little & Co. & Founder, the Children's Scholarship Fund*

Publicly Funded Vouchers

"Vouchers" for K-12 education provoke endless argument, despite the fact that vouchers are already available to low-income American families to cover child care and to offset the costs of college, including enrollment in pri-

vate and religious institutions. Vouchers are a hot-button issue in our politics even though few people seem to understand how they actually work. At present, there are three tax-supported voucher programs that warrant attention. (Uncontroversial voucher programs in Maine and Vermont apply primarily to students in rural areas with no public school nearby.)


I'd like to see all philanthropists interested in education reform steer their dollars towards parental empowerment and school choice, because that is the most effective way to stimulate education improvements for all kids.
JOHN WALTON, Walton Family Foundation, Co-founder, the Children's Scholarship Fund

The Milwaukee and Cleveland programs provide vouchers to a limited number of low-income students. In Milwaukee, private schools that agree to participate must accept the voucher as full payment and must also accept whichever youngsters come their way. (If more apply than schools have room for, a lottery is used to determine entry.) The Cleveland program is similar, although low-income parents must pay a small percentage of the private school tuition in order to participate. In both cities, low-income students may choose among private, parochial, and other public schools. Today, nearly 10,000 students participate in the Milwaukee program and about 4,000 in Cleveland.

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By contrast, the Florida statewide program is directed at students in failing schools. If any public school fails to meet state academic standards for two years out of four, its pupils may use a voucher to attend another public or private school of their choice. The first year of this program saw about 60 students leave two failing public schools to attend private schools; the second year (2000-2001) saw no new participants because no Florida school that had failed the previous year failed again. A study by the Manhattan Institute's Jay Greene revealed that the schools faced with the prospect of losing students to vouchers made larger test-score gains than other schools. Dr. Greene judges that the "threat of vouchers" indeed motivated a positive response from public schools. (For full details

and further research about these voucher programs, please visit www.schoolchoiceinfo.org.)

Although vouchers are often viewed as a conservative and Republican cause, in recent years more liberals and Democrats have come to embrace the idea, particularly when targeted to low-income families. These include former Labor Secretary Robert Reich, Senator Joseph Lieberman, former U.S. Congressman Floyd Flake, and Milwaukee Mayor John Norquist. Newspapers like *The Washington Post* and *USA Today* have recently expressed editorial support for voucher experiments, as has *The New Republic*.

Support for vouchers has particularly surged in the African-American community. The launch of the Black Alliance for Educational Options (BAEO) in 2000 brought new voices to the fore: African-American legislators, activists, parents, and others who believe it's time that all families benefit from the power to choose their children's schools. Led by former Milwaukee superintendent Howard Fuller, BAEO promotes all forms of school choice—and thereby distinguishes itself from traditional "civil rights" organizations with close ties to the education establishment.

Privately Funded Vouchers

Eager to help needy youngsters and advance competition-based reform, many donors, frustrated by the government's inertia, have created private voucher (or scholarship) programs of their own. J. Patrick Rooney, chairman of the Golden Rule Insurance Company, launched the first program in Indianapolis in 1991. By 2001, nearly 100 privately funded school voucher programs were enabling more than 75,000 low-income children to attend schools of their choice. Over a million students were on waiting lists.

Private voucher programs usually provide poor families with just part of their youngsters' tuition. (Expecting families to contribute something is believed by most program sponsors to encourage parental engagement.) Applications are typically limited to families whose incomes fall below a certain level and who reside in a defined geographic area (usually a city or county); recipients are normally chosen by lottery or on a first-come, first-served basis.

Former Arizona Senate Majority Leader Tom Patterson observes that many philanthropists in his state focus on donating technology—filling schools with new computers—as if hardware were all they needed. "But if I had the money, what I would do is pick a charter school whose mission fits mine, and support that school," says Patterson. "Charter schools, particularly ones trying to be really good, know how to use resources wisely—they have to in order to survive."

Setting up a private voucher program is straightforward, especially with help from a national umbrella organization, Children First America (www.childrenfirstamerica.org), which has fostered a network of such programs. According to its president, Fritz Steiger, these programs not only provide immediate educational opportunities for low-income students, they also furnish models that demonstrate the worth of vouchers and help build constituencies of low-income parents who learn to become savvy education consumers and reform activists.

Many of today's private voucher programs also receive matching funds from the national Children's Scholarship Fund (CSF) (www.scholarshipfund.org), a nonprofit organization that has done much to advance the school choice movement. Well-known philanthropists working in this area include investor Theodore Forstmann and Wal-Mart heir John Walton, who launched CSF with personal donations of $50 million each in 1998. Both Forstmann and Walton (who is profiled in Chapter Four for his work with charter schools) believe in placing the power to choose a child's school into parents' hands. And many parents seem to crave that opportunity: in CSF's first year, it received more than a million applications from poor families hoping to send their children to private schools.

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Charter Schools

The charter school movement is spreading rapidly and enjoys strong bipartisan support. Charter schools are *public* schools of choice which, having entered into multi-year contracts or "charters" with a government

Charter schools represent a different equation, one with an understandable return on investment. By helping support such schools, which are managed and governed by people apart from the existing system, you are assisting the free market to have a role in the intellectual competition among different approaches to education, and you are abetting the democratization of school choice. This overall process will lead directly to the creation of a certain number of new and good schools, and it will indirectly lead to improved performance by the existing public school.

—Bob Howitt, Executive Director, the WKBJ Foundation

body (often the state board of education), enjoy the freedom to run themselves largely as they see fit, free from most of the red tape that binds other public schools. In return for such freedom, the charter school must deliver results. If it does not achieve the academic and other goals stated in its contract, it faces closure at the end of its charter (typically five years) or even sooner.

The first charter school opened in 1992 in Minnesota. Today, more than 2,000 of them enroll over half-a-million students in three dozen states. Some traditional public schools have converted to charter status, thereby gaining freedom from red tape, but most charters are new schools launched by enterprising teachers, parents, community organizations, and even private firms.

While there are many kinds of charter schools—some focus on technology, others on the arts, some are military academies, some serve only disabled students—most concentrate on at-risk youngsters. Contrary to critics' predictions, they haven't "creamed" the ablest and most fortunate students from conventional public schools. Rather, they have proven especially popular with low-income and minority families and with those whose children were faring badly in (or had dropped out of) regular public schools.

Charter schools are also beginning to prompt improvements in the traditional public schools around them. In recent reports, the U.S. Department of Education has shown that the presence of charter schools in a community often prods the system to create specialty schools, become more responsive to parents, and offer innovative curricula.

While less controversial than vouchers, and demonstrably popular with parents and policymakers, the charter movement is nonetheless struggling. It needs additional financial support, to be sure, but could also use a healthy dose of business acumen. Many charter operators have terrific expertise when it comes to curriculum and instruction but don't know much about budgets, governance, personnel practices, credit markets, real estate, and contracting for services. They often find themselves in over their heads. This creates myriad opportunities for astute philanthropists to assist with the creation and development of successful charter schools.

Education Tax Credits and Deductions

Another set of competition-style reforms making headway in America today relies on the tax system to foster school choice. The most important of those is the tax credit, which, in simplest form, provides dollar-for-dollar returns to parents on the costs of their children's tuition and other education expenses at private (and sometimes public) schools. Iowa, Illinois, and Minnesota all have some type of education-related tax credit and/or deduction on their books today, although each is limited in certain ways. (The Iowa and Illinois programs apply to only 25 percent of eligible expenditures and Minnesota's is limited to nontuition expenses.) Arizona, Pennsylvania, and Florida have tax credits that apply not to tuition for one's children but to donations made to private scholarship programs.

While charter schools provide choices within the public education system, tuition tax credits, like vouchers, open the doors of private schools to needy students. Unlike with vouchers, however, parents initially spend their own money, so government funds never flow directly into the private schools. Tax credits are therefore less vulnerable to a constitutional challenge that they allegedly violate the separation of church and state. In the 1983 case *Mueller v. Allen*, the U.S. Supreme Court found that

Minnesota's tuition tax deduction posed no threat to the First Amendment. The high court also upheld the validity of using tax-credit funds for tuition scholarships in 1999 when it declined to hear the Arizona tax-credit case, *Kotterman v. Killian*.

Arizona's program is especially interesting. Enacted in 1997, it allows *individuals* to make donations up to $500 to nonprofit organizations that provide scholarships for students to attend private schools; individuals receive the exact dollar amount back from the state via their tax return. (The tax credits can also be utilized to make donations to individual public schools.) Some organizations created to take advantage of the new law focus on low-income students, others on youngsters wanting to attend particular schools. Those who avail themselves of the credit in Arizona cannot designate their own student to benefit from it. Yet more than 30,000 individuals used the credit in 1999-2000 to direct over $14 million into scholarships—money that would otherwise have gone to the state in taxes.

In Pennsylvania, a 2001 law allows *corporations* to receive tax credits for donations made to provide private (and out-of district public) school tuition assistance to families whose incomes fall below a set level. In this case, companies receive 75 percent of their donation back at tax time (or 90 percent if they make a multi-year commitment). Each corporation can claim this tax credit up to $100,000 annually, but the total amount of funds flowing to scholarship programs via this route cannot exceed $20 million per year. Florida enacted a similar program in 2001 that allows corporations to receive 100 percent tax credits for funds donated to private scholarship organizations. Up to $50 million a year can flow through the Florida program; each corporation can donate an amount up to 75 percent of what it owes in state taxes each year.

Tax credits can complement scholarships and charters. As former Arizona Senate Majority Leader Tom Patterson explains, "All the different forms of school choice can operate together. They have very different kinds of appeal; they serve different constituents. Vouchers and a tax credit like ours are very compatible." Patterson considers himself an advocate of "choice among choice plans."

While education competition comes in even more forms—consider, for

example, home-schooling, "virtual" schooling, and the outsourcing of public school management to private firms—vouchers, charters, and education tax credits offer the best avenues for today's reform-minded philanthropists to put theory number four into practice.

RESEARCH AND EVALUATION

Our brief survey of education reform strategies would be incomplete without a strong recommendation that, whatever sort of strategy, program, or project you opt to support, you should first comb the available research about what works; you should fund additional research into questions that don't yet have clear answers; and you should make use of reliable evaluation tools to ensure that your education ventures are achieving clear results—and alter or terminate them if they're not. Even if you don't agree with our views on education reform, you surely don't want to waste your money on unproductive schemes. In fact, you should devise a means for assessing every project, program, or organization that you fund—which usually means launching the evaluation when the project itself starts. (After-the-fact evaluations are rarely credible.) Your bottom-line question should be: does this endeavor actually improve student achievement? We will return to this subject in the next chapter.

CHAPTER THREE

ESSENTIAL QUESTIONS

OVERVIEW

In Chapter Two, we reviewed the main ways that philanthropists approach education reform and offered our views on those that hold greatest promise. Now we begin to connect theory with action. Moving from good intentions to clear results is not a simple process. In this chapter, we pose some questions that warrant your consideration as you set out, questions whose answers can help you achieve your goals without needlessly wasting time or money.

Before you dive in, however, take a moment to reflect on how you normally approach goals in your own work. How do you believe that change usually occurs (or is forced) and goals achieved? Do you have a "theory of change" that works for you? What guiding principles helped you reach the level of success you enjoy today? Are you prepared to apply them to your philanthropy as well? Too often, we find, even the shrewdest of businessmen check their business savvy and bottom-line focus at the door when they enter the education arena. Meanwhile, the majority of American children remain trapped in sub-par schools. We hope that you will become an education reform crusader who demands results—both from schools and from your own philanthropic endeavors.

WHAT, SPECIFICALLY, DO YOU SEEK TO ACHIEVE?

Every philanthropist should ask, "What is my *specific* goal?" for each project, program, or organization that he/she funds. Too much of education giving suffers from acute nebulousness: donors who know they want to "help kids" or "improve the schools" but end up funding fuzzy add-on programs and lofty betterment schemes because they have not zeroed in on a specific goal for improving student achievement or haven't found any mechanism for altering the schools themselves. Perhaps you, too, will be content with supplementing what the schools do. We encourage you, however, to look for ways to benefit children that also help transform, not just augment, a failing system. And we urge you to be selective and specific about what you want to achieve.

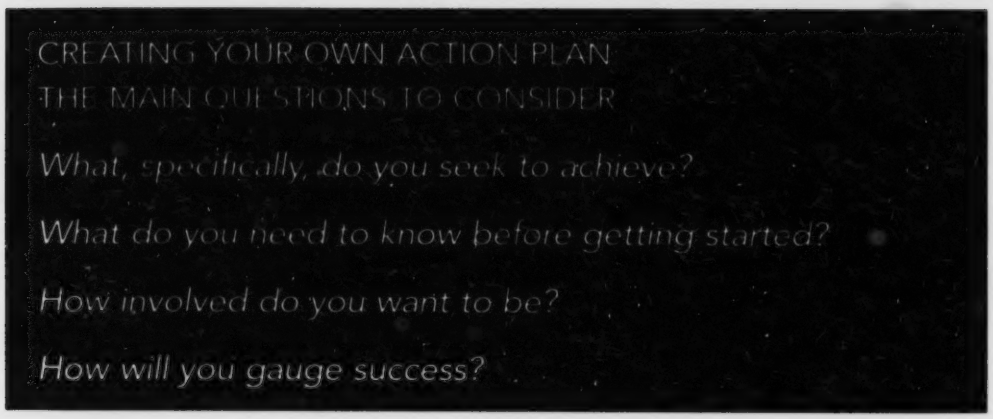
Consider:

- Is your goal to improve student academic achievement across-the-board or to boost the attainment of a particular pupil population (e.g., minority youngsters, 1st graders, students of U.S. history)?
- Do you want to spur change at the local, state, or national level?
- Do you want to try something new and see whether it works, or to widen the reach of proven programs and methods?
- Do you want to impact public policy, support a particular activity, assist a specific organization or create a new one, or a combination of two or more of these? Or something else altogether?

WHAT DO YOU NEED TO KNOW BEFORE GETTING STARTED?

There's no end to this homework! A clear goal is just the start. Then much thought must be given to exactly how it can best be attained with the help of your resources, allies, and personal engagement.

Make sure you have a coherent theory of change, something that plausibly links the intervention you will make to the result that you seek. Then examine past and current efforts that deployed kindred theories in pursuit of similar ends. Learn what other funders have done, and what


CREATING YOUR OWN ACTION PLAN
THE MAIN QUESTIONS TO CONSIDER
What, specifically, do you seek to achieve?
What do you need to know before getting started?
How involved do you want to be?
How will you gauge success?

has or has not had an impact. Ransack the available research to learn all you can before commencing.

When it comes to education reform, please keep in mind, skepticism is a virtue. If improving U.S. education were easy, we wouldn't be urging you to fund programs that press upon the system. Yet many philanthropists have been disappointed to discover that good intentions and ample funding do not necessarily produce positive results. Learn from their experiences. Seek out examples of programs that *have* had a transformational effect on the system, even if only in a single place.

You'll also want to learn plenty about the place you seek to reform. Every state, every district, indeed every school has its idiosyncrasies, its peculiar blend of laws and regulations, its political players, its mix of programs and reforms already underway, its distinctive interest groups. Know what is happening on the ground before getting deeply involved else you are apt to make mistakes and waste time.

Consider:

- What has already been tried—and how did it work?
- What reforms are currently underway or in the works? Who is calling for what to be done?
- Who are the primary players and how will your work support or detract from their goals?

- More specifically, who else is funding education reform efforts in the area you are targeting? Are they attaining results? How will their efforts intersect, complement, or conflict with yours?
- How strong is the likely opposition? Will your effort incur more enemies than allies? Which key figures might join you? What interest groups matter? Will you be inclined to work with or around them? Have you weighed the pros and cons of those approaches?
- How effective is the school system's leadership?
- Are parents generally satisfied with their schools or eager for new options?

Don't begin with the assumption that you must start a new organization—a widespread tendency among entrepreneurial types who are hesitant to yield control. It's possible that an existing group shares your goals and is capable of helping achieve them more efficiently than a brand-new outfit. Of course it's also possible that an existing entity, eager for cash and attention, will tell you what it thinks you want to hear. Stay alert to both possibilities. Whether you launch your own or work through an extant organization, you need a measure of confidence that the entity you are entrusting with your money is capable of carrying out the project you have in mind—and that it agrees with you about fundamentals. You will also want to look for possible partners in this venture. As you will read in Chapter Five, most of our own philanthropic efforts have involved partnerships with other groups. It's worth finding out who else is working to encourage sound education reforms in the place you're targeting and forming alliances when appropriate.

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HOW INVOLVED DO YOU WANT TO BE?

As you clarify your goals, refine your strategy for meeting them, survey the reform terrain, and seek suitable partners and allies, also reflect upon how deeply you want to be involved. If you have more money than time, there are organizations and programs worth supporting via your checkbook. We supply leads on our website (www.edexcellence.net/

philanthropy) to some of the "Gold Star" national- and state-level organizations and programs that are shaping education reform in significant ways. For local efforts in your own community, you will need to undertake a reconnaissance of your own.

If, however, you want to do more than send a check, you need to gauge how much time you can reasonably provide and what value you personally can add to the reform effort. As mentioned in the previous chapter, many education endeavors are in urgent need of business acumen. Tomorrow's transformed education system will require leaders who are adept at both schooling and managing. Sharing your expertise and experience—and perhaps the skills of others in your company or foundation—with those you fund could boost their prospects for success.

Consider:

- Do you want to be deeply involved in the effort and share responsibility for its success?
- Does the project or organization you are planning to fund possess the needed capacity? Are there things you can do (besides sending money) to boost that capacity?
- Are you realistic about what you can commit?

HOW WILL YOU GAUGE SUCCESS?

Engaging in a philanthropic endeavor without devising a method for assessing its results is akin to scattering dollars from a helicopter. We acknowledge that some seemingly worthy efforts are hard to evaluate. (It's difficult, for example, to be sure whether a training program for teachers is boosting achievement among their students.) But you should strive to avoid falling into the education system's dreadful habit of failing to assess—and be critical of—its progress. If all philanthropists vowed to achieve specific results from their education giving, it would help turn this ship in the right direction.

Don't settle for "process" evaluations. Education programs too often just report what actions were taken, what programs were launched, or how

many people were served, not whether anybody learned anything! You will, of course, want to know whether your project was properly implemented, and much can be learned by studying how the process unfolded. But if you stop there, you'll never know whether it really made a difference. You want to determine whether students are learning more as a result of your intervention. Insist on evaluations that supply that kind of information.

As in medical research and other serious social science, the best kind of study—the gold standard of program evaluation—is a true experiment. That means arranging for some people (or classrooms, schools, etc.) to receive the "treatment" while others with the same characteristics do not. The latter become the "control group." Which children or schools go into the "treatment" and "control" groups must be determined randomly, through a lottery-type system. After the "treatment" runs its course, the evaluator compares the results attained by the two groups. Only with a proper experiment of this kind can you be certain whether different outcomes were actually caused by that particular "treatment." To conduct such an evaluation, however, it must be planned as part of the project's initial design.

When a true experiment isn't practical, there's still much to be learned by, for example, comparing the before-and-after results of those who received the "treatment" with similar children or schools that did not. Still other evaluation designs may work better in particular circumstances. You probably are not an expert program evaluator. So we urge you to be sure that someone with that expertise—and with no axe to grind or institutions to shield—is part of your venture from the outset.

Consider:

- How will you know when your goal has been achieved?
- What must be measured to determine whether your effort was the reason for an observed change in results? Are those data already being gathered? Can you gather them as part of your project?

- Is a true "experimental" evaluation feasible? If not, how strong is the alternative plan? Is it seriously focused on results?

- How will you utilize research results to revise your strategy as you go forward? Is there a place for continuous improvement and mid-course corrections? What benchmarks will you use to determine when and whether the effort should come to an end?

The questions we've posed in this chapter may strike you as obvious. If you've already pondered—and answered—them, you're probably ready to venture into the education reform arena. In the next chapter, we profile some who preceded you there. We hope you will benefit from their experiences.

CHAPTER FOUR

EDUCATION PHILANTHROPISTS IN ACTION

THE PRECEDING CHAPTERS focused on education philanthropy in the abstract, but there's no substitute for observing high-impact, reform-minded philanthropy in practice (or learning from less successful efforts). In this chapter, we profile fourteen efforts that illustrate the four theories of change in K-12 education reform.

While many of our featured philanthropists are involved in myriad reform activities, we present just one project for each. In every case, we look at the philanthropist's (or, in a few cases, the organization's) reasons for supporting this particular project, as well as the project's goals, essential workings, scope, cost, and timeframe. We note the level of direct involvement by the philanthropist him/herself. We examine evidence of the project's success. And we supply a bit of analysis.

We also provide contact information so you can learn more about these projects and philanthropists, should you wish. After all, these few snapshots are part of a vast philanthropic album. The philanthropists included in these pages support a wide range of interesting education projects, and of course they represent only a tiny subset of the many individuals working effectively in this field.

THEORIES ONE AND TWO:

PROVIDING RESOURCES AND EXPERTISE TO THE SYSTEM

- James and Sally Barksdale: *Barksdale Reading Institute*
- Stuart Sloan: *T.T. Minor Elementary School*
- Ann Rubenstein Tisch: *Young Women's Leadership School*
- David W. Packard: *Reading Lions*

THEORY THREE:

ADVANCING STANDARDS-BASED REFORM

- The Abell Foundation: *Maryland Assessment Study*
- Bartell Drugs: *The Seattle Times School Guide*
- John Davis: *Mass Insight Education*
- IBM Corporation: *Reinventing Education*
- Tom Luce: *Just For The Kids*

THEORY FOUR:

44 ***FOSTERING COMPETITION-BASED REFORM***

- Doris and Donald Fisher: *Fisher School Leadership Institute*
- John Kirtley: *Children's Scholarship Fund–Tampa Bay*
- Jack and Isabelle McVaugh: *Arizona School Choice Trust*
- Robert and Helen Strauss: *Maya Angelou Public Charter School*
- John Walton: *National Charter School Support*

James Barksdale shares a book.

JAMES AND SALLY BARKSDALE: BARKSDALE READING INSTITUTE

- Providing Resources and Expertise to the System: *Literacy Programs*
- Personal Involvement: *Moderate*
- Level: *State*

Philanthropists: James and Sally Barksdale

Residence: Jackson, Mississippi

Project: The Barksdale Reading Institute at the University of Mississippi

Primary Goal: To promote literacy among Mississippi students in grades K-3.

Contribution and Timeframe: $100 million over at least five years. Grants totaling about $10 million per year will be made from the proceeds of the invested $100 million.

OVERVIEW: Jim Barksdale struggled with reading as a child, but early intervention—a tutor arranged by his parents—enabled him to catch up with his peers by 3rd grade. Years later, Jim and his wife Sally found themselves contemplating how best to spend the more than $700 million that Jim had acquired, primarily through the sale of Netscape, where he had served as CEO. After careful reflection and research, they decided to donate $100 million to improve the literacy rate of young Mississippi children.

This impressive donation—believed to be the largest private gift ever made for improving literacy—was given to the University of Mississippi School of Education to establish the Barksdale Reading Institute, which works closely with the Mississippi Department of Education and the state's seven other schools of education located in public universities. The Institute is headed by Jim's brother, Claiborne Barksdale, a lawyer turned education reformer.

The Institute's primary goals are to expand the reach of a successful state pilot program called the Mississippi Reading Reform Model and to strengthen the capacity of Mississippi public school teachers to teach reading effectively. In 2000-2001, the Institute implemented the reading reform model in 40 schools (reaching about 16,000 children), providing funds for professional development of teachers, instructional materials, adult literacy programs for parents, tutors, and substitute teachers (so that regular teachers could spend time in training and collaboration), all with a focus on teaching young students to read via research-proven practices. Each school is also assigned a participating faculty member from one of the state universities to provide on-site guidance for at least 50 days per year. According to Claiborne Barksdale, about 40 more Mississippi schools will receive grants and technical assistance every year until the total reaches 200.

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Claiborne believes that the "school principal's commitment and leadership is the single most significant factor in determining the extent to which a Reading Institute school benefits" from the reading reform model. Hence, before being accepted into the program, principals must demonstrate extensive knowledge of, and a detailed plan for implementing, the Mississippi Reading Reform Model in their schools. Claiborne also believes it is imperative to have an outside advisor work with each school at least weekly to "keep the spotlight

on them" and ensure that the staff stays focused. He notes that the Barksdale Institute has met with resistance and even antagonism from some school staffs and must exert considerable effort to keep them on track and their teachers using the program.

To strengthen teacher preparation, the Institute also funds 11 faculty positions at the eight state-university schools of education, the intent being to ensure that they focus on imparting proven methods of reading instruction to future Mississippi teachers.

ASSESSMENT STRATEGY: The Barksdales are firm about the need to assess the reading reform model and say they will withdraw funding if measurable results do not materialize. They chose this model because it had raised students' achievement in the pilot schools. In evaluating the expanded program, the Barksdales intend to use a variety of gauges, including annual test scores, student portfolios, and other indicators such as retention rates and number of referrals to special education. The program's progress will be assessed after five years of operation and, according to Claiborne, funding will be withdrawn and targeted elsewhere if there is no proof that it's making a significant difference.

ANALYSIS: This is a clear example of theories one and two in action—supplying funding and expertise to the system. However, its focus on a single clear goal—young student literacy—and on research-proven methods of teaching reading may well benefit Mississippi students now and in the future, so long as the methods being used are indeed sound and the Barksdales sustain their high level of support for many years.

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CONCLUSION: The Barksdales' focus on proven techniques for teaching reading to young children is admirable, as is their desire to build capacity within the school system to ensure that these techniques are widely used. The effort to redirect schools of education is also noble, if unlikely to succeed (no institution seems more resistant to change than a school of education). Note, however, that this project assumes that the system's inability to teach reading to all young children can be ascribed to a lack of resources and expertise. We wonder whether this program will change the system permanently.

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Stuart Sloan with T.T. Minor students

STUART SLOAN:
T.T. MINOR ELEMENTARY SCHOOL

- Providing Resources to the System: *Working to Transform a Public School*
- Personal Involvement: *Moderate*
- Level: *Local*

Philanthropist: Stuart Sloan

Residence: Seattle, Washington

Project: T.T. Minor Elementary School

Primary Goal: To "turn around" a troubled public school.

Contribution and Timeframe: $1 million annually for eight years.

OVERVIEW: Stuart Sloan, founder of Egghead Software and former chairman of the Quality Food Centers grocery chain, used to drive through Seattle's impoverished, mostly minority Central Area on his way to work. He developed the idea of adopting one of its elementary schools and demonstrating how increased resources and attention could turn it around, maybe even make it into a model for the nation. In 1995, he approached the Seattle school superintendent with this idea. About a year later, they signed a "memorandum of understanding": the school that would benefit from Sloan's generosity would be T.T. Minor Elementary, which had some of the lowest test scores and highest poverty rates in Seattle. Sloan agreed to provide $1 million annually for eight years. This would fund a new curriculum, longer school days and years, student uniforms, a cadre of social-service providers, teacher training, and bonuses like swimming and Chinese classes.

One might think this would be a dream come true for students, parents, and the local community. But area residents questioned Sloan's motives from the outset, wondering if his goals had more to do with serving some future white population in this gentrifying neighborhood. In fact, community resistance delayed the Sloan "enhancement plan" until the fall of 1998.

The controversy didn't end there. Sloan wanted to work with a fresh group of the school's youngest students instead of trying to impose a new program on pupils already well along in their schooling. But the Seattle school administration refused to move the older students to different schools. The ensuing compromise had the "enhancement plan" serve only the younger students at T.T. Minor while the older pupils, still in the school, observed from afar.

The result, not surprisingly, was a feeling of "haves" and "have nots" that did not sit well with parents. Sloan attended a community meeting at the school in the summer of 2000 to help respond to these and other concerns, including unhappiness over the removal of the principal who had begun at the school at the same time as the Sloan "enhancement program." While the principal's removal was actually a result of the school's teachers finding her too combative and enlisting the union to force her dismissal, community members seemed to

believe that Sloan was somehow behind it. At one point, according to *The Seattle Times,* Sloan remarked to the crowd, "You know what I don't get here? This seems to be a pretty hostile crowd, and I don't get it. It seems negative."

Despite its shaky start, and the ongoing challenge of serving only a fraction of the school's students, the Sloan enhancement program continues. According to Project Manager Holly Miller, Sloan is "utterly convinced that this is the way to make a long-term impact," and will stick with the effort at least through the eight years, whereupon he will evaluate whether the program is sturdy enough to continue without his support. Miller is optimistic that the program will win over parents and community members. She explains that they are "dealing with an institution that's been doing things the same way for a long time. We are challenging long-held beliefs and have had to work through a lot of issues." Would Sloan consider using his resources to compete with the system instead? "Never," according to Miller. He wants "to work with the existing system because that system has to work for a majority of the people."

ASSESSMENT STRATEGY: At the end of the eight-year commitment, Sloan will assess the school's progress and determine whether to continue.

ANALYSIS: It is difficult to fault so well-intentioned and generous an effort. Yet Sloan's experience reveals once again what so often happens when private philanthropy tries to work within the existing school system: the money is absorbed but real and lasting change is minimal. The monopolistic nature of the system keeps it from embracing change. Add to this the fact that Sloan faces a wary community—upset by the idea of a wealthy outsider deciding what would happen to their school—and the odds seem to be working against Sloan's desire to do something good and lasting for the T.T. Minor Elementary School.

CONCLUSION: Eight million dollars could help launch a small flotilla of new charter schools, underwrite thousands of scholarships for low-income students, even support the creation of a brand-new, tuition-free private school next door to T.T. Minor. These options might render more certain and positive results.

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Ann Rubenstein Tisch

ANN RUBENSTEIN TISCH: YOUNG WOMEN'S LEADERSHIP SCHOOL

- Providing Resources to the System: *Founding an All-girls Public School*
- Personal involvement: *High*
- Level: *Local*

Philanthropist: Ann Rubenstein Tisch

Residence: New York, New York

Project: The Young Women's Leadership School

Primary Goal: To provide an excellent education for girls in Harlem.

Contribution and Timeframe: Undisclosed financial contribution; five years and continuing.

OVERVIEW: Ann Rubenstein Tisch was a reporter for NBC "Nightly News" when she covered a story about a Milwaukee high school serving students who already had children of their own. She asked one of the young mothers where she expected to be in five years. The girl looked at her and began to cry. That experience helped inspire Tisch to leave journalism to devote herself to school reform efforts and, in particular, to providing young women with access to paths leading to futures other than poverty and early pregnancy. With support from her husband, Andrew Tisch, chairman of the Loews Corporation, in 1996 she founded the Young Women's Leadership School, a public school for girls in a poor Hispanic neighborhood of East Harlem.

Centered on a strong math and technology program, itself unusual for a girls' school, the Young Women's Leadership School has gained national attention for its remarkable success in educating more than 300 disadvantaged Hispanic and African-American girls in grades 7 through 12. Every one of its first 32 graduates was accepted into a four-year college (31 are going, while one has opted to join the Air Force). Half of these young women are enjoying full-ride scholarships; most are the first in their families to attend college at all. As for academic achievements, the Leadership School surpasses most other New York public schools: more than 80 percent of its students read at or above grade-level, compared with fewer than 50 percent in public schools citywide.

How was a private citizen able to open a pathbreaking new school under the auspices of the public school system? Mostly through connections, influence and sheer will. Tisch sits on the board of the Center for Educational Innovation-Public Education Association in New York. Led by Seymour Fliegel, this nonprofit organization promotes public school choice, primarily by supporting small, alternative public schools and charter schools. It was, in fact, a recipient of the first Annenberg Challenge grant, which it used (with varying success) to create and support 140 small schools in NYC (not including the Young Women's Leadership School).

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As Mr. Fliegel explains it, Tisch's position as a CEI-PEA board member helped her connect with the superintendents of the city's

local school districts (of which New York has 32) in order to present her idea of an all-girls school; the superintendent of District 4 leaped at the idea. Tisch also explained her plan to citywide Schools Chancellor Ray Cortines, who said he would support it. When Cortines was succeeded by Rudy Crew, Tisch won his support, too. The citywide school board backed the District 4 superintendent by passing a resolution to allow the district to open the new school, and the bureaucratic wheels were set in motion.

Yet being a single-sex school has made the Young Women's Leadership School as controversial as it has been successful. The New York Civil Liberties Union, the New York Civil Rights Coalition, and the city's National Organization for Women chapter tried to keep it from opening, claiming that the school discriminates against boys (single-sex public schools having virtually disappeared from the Big Apple during the civil-rights movement). In response, District 4 said it would permit boys to apply to the school (although none have so far).

Since the school opened, these critics' arguments seem to have been drowned by applause from such luminaries as Senator Hillary Rodham Clinton and Oprah Winfrey, who spoke at its first graduation ceremony. Senator Clinton praised the school while arguing for an amendment (co-sponsored with GOP Senator Kay Bailey Hutchison of Texas) to a federal education bill that would provide funding for single-sex public schools and classrooms (for both girls and boys).

Tisch donates some of her family's own resources to the school, although she opts not to disclose the amount. She also created a separate foundation specifically to raise funds for the Leadership School. (The foundation spent about $140,000 in 1999.) Her greatest contribution to the school, however, is her own time, energy, leadership, and connections. She works full-time with the school—and with groups hoping to emulate it in other cities—and uses her own contacts to link the school to other people, groups and resources. She has already helped to found a similar school in Chicago (the Young Women's Leadership Charter School) and expects to assist others, too.

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ASSESSMENT STRATEGY: Because the Young Women's Leadership School is a regular public school, and takes the usual state

and city tests, it is easy for Tisch to track how well its students are doing. Its graduates' college-acceptance rates are also revealing.

ANALYSIS: It will be interesting to see how Tisch compares her experiences founding a new public school in New York and a charter school in Chicago. What's also striking about this story is not that the Young Women's Leadership School—with its strong academic program and high standards—has produced solid results, but that it has faced such political opposition. Tisch also can't believe the criticism she sometimes receives for helping "some," as opposed to "all" students. She comments, "If you go with [the critics'] logic, you shouldn't help any. I just think it's a distorted sense of social responsibility to talk like that. It wouldn't be so 'only' if it was your child. And by the way, I think that 320 children in East Harlem is nothing to sneeze at."

CONCLUSION: Ann Tisch has started a great school (and is starting more of them). We hope the education establishment in New York will continue to support it, that other communities will follow her lead—and that philanthropists won't overlook the educational needs of boys, too!

FOR MORE INFORMATION:

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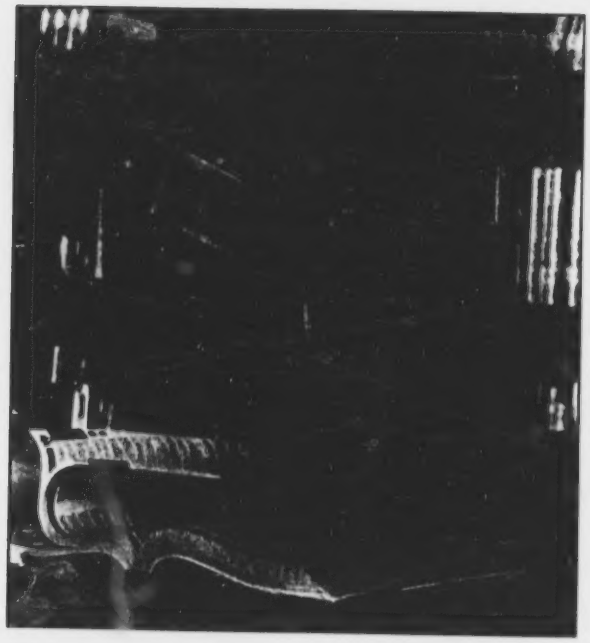

DAVID W. PACKARD:
READING LIONS

- Providing Expertise to the System: *Promulgating Proven Reading Programs*
- Personal Involvement: *Moderate*
- Level: *State and Local*

Philanthropist: David Woodley Packard

Residence: Los Altos, California

Project: The Reading Lions Project

Primary Goal: To improve reading achievement by promoting phonics-based instruction in California schools.

Contribution and Timeframe: More than $45 million since 1997.

OVERVIEW: David W. Packard, son of the late David and Lucile Packard, is a former college professor with a long and deep interest in public education. Having closely followed the "whole language" craze in California, which left thousands of students lacking essential reading skills, Packard was pleased to see the legislature mandate a return to phonics-based instruction in primary reading. But he grew concerned when the state approved seven different reading series among which schools could choose. Most of these, Packard says, "do not fully implement the recommendations for systematic, explicit phonics." The only series that offers a full-fledged phonics program, and the only one with the unequivocal backing of academic experts, according to Packard, is the Open Court program, published by McGraw-Hill. He decided to use some of his philanthropic dollars to motivate more schools to choose the Open Court series by providing them with additional resources to implement that program fully and effectively.

The resulting project—"Reading Lions"—now involves some 28 California school districts. Grants to participating districts from the David W. Packard Humanities Institute primarily underwrite "reading coaches": teachers selected by the district to be thoroughly trained in the Open Court program and sent back to help their peers use it effectively. Participating districts are provided with one reading coach for every 30 or so teachers at a cost of about $60,000 per coach per year. They also receive technical assistance and administrative support from the Reading Lions Center in Sacramento, which is also supported by the Institute.

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To warrant this assistance, school districts must agree to select qualified teachers to serve as reading coaches and ensure that they attend training sessions throughout the year; schedule at least two days of training with Open Court experts for all participating teachers and principals; implement the Stanford 9 student assessment tests more frequently than the state requires and make the results available (by classroom) to the Institute; and cooperate with any other evaluation that the Institute sponsors.

ASSESSMENT STRATEGY: David Packard is strongly focused on tracking student reading achievement via test scores. Because all California schools use the Stanford 9 test, this tracking is relatively

simple. Results have so far been very positive. Two of the largest participating districts—Inglewood and Sacramento—have seen their primary students' scores rise significantly, and the Open Court program is widely credited for these gains. Indeed, Inglewood, which has many low-income pupils, is nationally recognized for its rise in elementary-student scores since adopting Open Court.

ANALYSIS: Given the circumstances, which began with the state mandating the use of proven methods to teach reading, David Packard selected an astute and timely philanthropic strategy. His grants have helped ensure that public schools use a solid, phonics-based reading series and that they acquire the expertise to do it right. It's not yet possible to know how many districts will stick with this approach to reading instruction and how many will succeed. Overall, however, this is a promising example of theory two in action.

CONCLUSION: David Packard gets extra credit for seizing an opportunity to help the system improve itself in the most fundamental of all subjects.

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Reading Lions Project
www.fmpro.scoe.net/programs/FMPro

McGraw Hill Open Court Reading Series
www.sra4kids.com/teacher/reading/

Robert Embry, President

THE ABELL FOUNDATION: MARYLAND ASSESSMENT STUDY

- Standards-based Reform: *Evaluating Test Quality*
- Organizational Involvement: *Low*
- Level: *State*

Philanthropy: The Abell Foundation

Location: Baltimore, Maryland

Project: A study of the Maryland School Performance Assessment Program (MSPAP)

Primary Goal: To evaluate and, where necessary, improve the quality of Maryland's statewide student exams.

Contribution and Timeframe: $300,000 over two years.

OVERVIEW: The Abell Foundation's mission is "to effect positive change on societal problems in the Baltimore area." In education reform, it seeks to provide "Baltimore City public school children with the same level of education as their counterparts in the surrounding suburbs." Under the leadership of Robert Embry, a former Maryland state school board president, this includes providing Baltimore schools serving at-risk students with rigorous, research-proven academic programs like Direct Instruction, Success for All, and Core Knowledge. It also means working to ensure that the state's academic standards and accountability program are reliable and effective so that achievement gains can be properly measured and the evidence used for school improvement.

Toward this end, Embry sought an expert appraisal of the state's student proficiency tests—the Maryland School Performance Assessment Program (MSPAP). As "the main driver of education in the state," Embry said, "these tests should be independently assessed." In 1997, he approached State Superintendent Nancy Grasmick with an offer to underwrite an evaluation of MSPAP, which had been administered to 3rd, 5th and 8th graders since 1991 but never examined by an outside reviewer. Embry and Grasmick agreed that a group led by Williamson Evers, a research fellow at Stanford University's Hoover Institution, would conduct the review. Grasmick then convinced Evers to undertake the project. Embry and Grasmick also negotiated terms for the report's release. Although he was not thrilled with the plan, Embry agreed to the superintendent's insistence that she alone receive a copy of the completed report. He hoped that the report's contents, if significant, would at least spur the superintendent to take action and revise the tests appropriately. The Abell Foundation provided $300,000 to the Evers group, via the state education department, to cover the study's costs.

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The study, all 300 pages of it, was delivered to Superintendent Grasmick in the fall of 1999. While the full report is still secret, its gist quickly leaked to the press: after examining MSPAP's content, scoring, and technical quality, Evers and associates concluded that the state's tests were an invalid measure of children's skills, indeed that Maryland "students didn't necessarily have to know anything" to do well on MSPAP, so long as they followed prescribed formulas taught to them just prior to the test's administration. The report also cited scoring

errors including myriad spelling, grammatical, and factual mistakes by students that went unmarked. Dr. Evers stated, "A mystery to our panel is why Maryland parents and taxpayers tolerate this test, which is riddled with factual errors, graded unfairly, and doesn't even cover the content in the state's own academic standards."

Instead of making the needed corrections, however, Grasmick and her staff went on the defensive. Seeking to discredit the external review, Grasmick and company claimed that the Evers report was biased and that the researchers were bent on finding flaws in the test. They hung the label "conservative" on the Evers panel. (In the education world, that's akin to being labeled "extremist." Never mind that three of the five reviewers are Democrats and one is an Independent. Embry is a Democrat, too.) As Embry put it, the education establishment "loves to drag in that red herring."

Grasmick argued that releasing the full Evers report would disclose too large a portion of the tests' content—they're not revised yearly—and, thus, she would keep it under lock and key. As of August, 2001, the report is still under wraps, although demands for its release continue. Meanwhile, Grasmick has ordered another review of the state's entire standards and accountability package to be undertaken by a "blue ribbon panel." As for the Abell Foundation, it continues to support strong programs in Baltimore schools as well as important policy research (including a terrific new review of teacher certification) but its work on standards-based reform is, for now, on hold.

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ASSESSMENT STRATEGY: If the Abell Foundation planned to measure the effectiveness of its grant by the degree to which the resulting study improved Maryland's tests, it's still waiting for the payoff.

ANALYSIS: While this episode illustrates one way a philanthropist can try to advance standards-based reform, it is also an example of the difficulty of forcing the system to reform itself. The Abell Foundation hoped to boost Baltimore student

achievement by strengthening the state's testing practices, an effort predicated on its belief that a strong standards-based assessment would eventually lift all boats. It assumed that publicly airing the faults of the state tests would lead to improvements in them. Perhaps someday that will happen, but so far the system has resisted.

CONCLUSION: We hope that Bob Embry and the Abell Foundation will continue to appraise their state's standards and tests. By keeping close watch on the progress of standards-based reform in Maryland, the foundation can exert outside pressure on this reform strategy and keep the public informed about problem areas.

FOR MORE INFORMATION:

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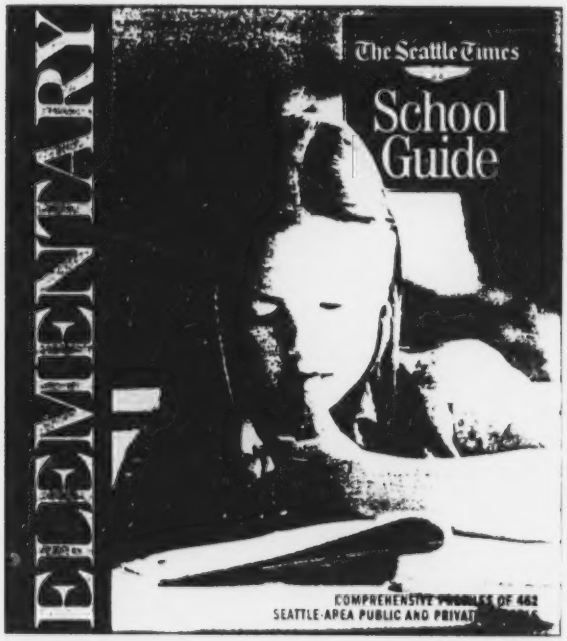

BARTELL DRUGS:
THE SEATTLE TIMES SCHOOL GUIDE

- Standards-based Reform: *Disseminating Information on School Performance*
- Organizational Involvement: *Low*
- Level: *Local*

Philanthropy: Bartell Drugs

Location: Seattle, Washington

Project: *The Seattle Times School Guide*

Primary Goal: To provide Seattle-area parents with accurate and up-to-date information on private and public elementary, middle, and high schools to help them make sound school selections for their children.

Contribution and Timeframe: Approximately $125,000 over five years.

BEST COPY AVAILABLE

OVERVIEW: Bartell Drugs is the nation's oldest family-owned drugstore chain, currently operating 50 stores in the greater Seattle area. George Bartell, grandson of the founder, serves as CEO and president while granddaughter Jean (Bartell) Barber is now CFO. Bartell Drugs primarily contributes to public-health-related programs and projects; *The Seattle Times School Guide* is its only education project.

The guide is the brainchild of *The Seattle Times,* which supplies the research and editing. Its report cards on local schools include data on class size, student enrollment and demographics, test scores, safety, improvement efforts, teacher experience, parental involvement, and special programs. A website version allows for easy school comparisons, including each school's percentages of pupils passing state achievement tests. In addition to individual school information, the guide (both paper and electronic versions) also offers a checklist to help parents know what questions to ask, and how to evaluate, prospective schools, and articles on topics such as interpreting test scores, understanding curriculum models, using technology in the classroom, and home-schooling.

The guide tacitly pushes parents to hold their schools accountable, urging, "If you're a parent (or teacher) who's disappointed with how your school is doing, ask your principal whether a plan has been formed to improve student achievement, and find out what it is."

Bartell Drugs provides $20,000-$30,000 annually to *The Seattle Times* to help underwrite the cost of printing the updated guide as well as the "in-kind" service of distributing copies of the guide from its stores. 2001 is the fifth year that Bartell Drugs and *The Seattle Times* have worked together on the project. The actual involvement of Bartell Drugs is low (writing a yearly check and allowing stacks of guides to be placed in its stores), but the "bang for the buck" seems high in terms of publicity for the company, whose name is prominently placed on all versions of the guide.

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ASSESSMENT STRATEGY: None. But a *Seattle Times* reporter notes that the public is clearly using them: "We print them, and they're gone. ... They quickly disappear from stores."

ANALYSIS: In publishing the school guide, Bartell Drugs and *The Seattle Times* are arming parents and the public with important information about their schools—an activity that is essential for the successful implementation of standards-based reform, because it publicizes student achievement and sheds light on how some individual schools are doing better than others. In our view, this is an effort that every community (and state) should replicate. Schools' achievement data should no longer remain buried in state reports or infrequent newspaper articles. Such a guide fosters "transparency" in education—giving successful schools the accolades they deserve and failing schools public exposure. The partnership of a newspaper, with its resources and access to information, and a local business that can help make such a guide free and widely available, is also worthy of replication.

CONCLUSION: Bartell Drugs is furthering standards-based reform in its area and providing an important service to parents choosing or monitoring their children's schools, while also benefiting from the visibility and goodwill generated by their participation. This is an excellent niche for a company with an interest in education reform but little time for "hands on" involvement.

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John Davis

JOHN DAVIS:
MASS INSIGHT EDUCATION

- Standards-based Reform: *Supporting Information and Advocacy*
- Personal Involvement: *High*
- Level: *State and Local*

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Philanthropist: John Davis

Residence: Springfield, Massachusetts

Project: Mass Insight Education

Primary Goal: To ensure that Massachusetts maintains a strong focus on standards-based reform so that students attain greater academic success.

Contribution and Timeframe: $200,000 over three years.

OVERVIEW: John Davis is well acquainted with the need for higher academic standards in U.S. schools. As chairman of American Saw and Manufacturing in Longmeadow, Massachusetts, he can attest that new workers' skills are not keeping pace with industry's needs. Many candidates that his company has tested, he says, can't pass a basic 7th grade math and reading test. Davis comments, "In the past, people were hired for their strength—they were hired hands so to speak. But in today's manufacturing world, there is more sophisticated equipment, and you have to be able to follow instructions. It's not as mechanical as it's mental." A two-year study released in January 2001 by the Massachusetts Institute for a New Commonwealth revealed that the problems Davis faces in hiring skilled workers are ubiquitous: one-third of the state's 3.2 million workers do not possess the technical skills needed to compete in today's workforce.

In 1993, the Massachusetts legislature enacted a school reform bill calling for higher academic standards and a rigorous new testing program. By 1997, however, business leaders were frustrated by the slow progress of those reforms as well as the skimpy public information about them. Building on the Mass Insight Corporation, a business-backed nonprofit that promotes the state's economic competitiveness, a group of CEOs and others launched Mass Insight Education (MIE) to focus exclusively on education standards and testing. MIE now oversees public outreach initiatives, school leadership training, and the dissemination of policy reports and research, all with the intent of strengthening support for standards-based reform and helping schools boost achievement.

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According to MIE President William Guenther, early funders like Davis were instrumental to the project's success. Through support from his family's foundation—the Irene E. and George A. Davis Foundation—and much hands-on involvement, John Davis has become a key player in the standards-based reform movement in Massachusetts. So far, his foundation has contributed $200,000 to MIE, making it one of the organization's top four financial supporters.

Davis has also given untold hours of his own time through participation in MIE's State Leadership Group and speaking publicly on behalf of strong standards-based reform. His relationship with MIE has

almost single-handedly helped ensure that western Massachusetts wasn't left out of standards-based initiatives. A portion of his contributions to MIE has been used to hire a part-time communications director for the state's western region and to organize best-practice workshops for principals and community leaders in that area. (Those workshops were so successful they were later emulated statewide.)

John Davis explains that his personal commitment derives from his belief in the power of data. Without strong standards and, in particular, the tests that go with them, Davis believes the public can easily be duped into thinking that the education system is doing better than it is. Before the inception of Massachusetts's standards and testing system, Davis believes that many parents "thought they had a good school. They didn't know if their kids were getting a lousy education because there wasn't the data to tell them that." The current system, he believes, "is sentencing thousands of young people to a life of underachievement. It was a secret—now it's out in the open."

ASSESSMENT STRATEGY: Mass Insight Education assesses individual programs as well as the impact it is having on public perceptions of the statewide education reforms. For instance, for its School Leadership Program—which helps teachers and administrators learn how to implement standards-based reforms—MIE has engaged outside experts to conduct annual evaluations and also used feedback from participants to improve the program. To gauge its overall impact, MIE uses a professional survey firm to track attitudinal change through opinion polls, and, of course, monitors the state's overall success in boosting student performance. It also tracks and responds to media coverage of standards-based reforms because, as Executive Director Andrew Calkins explains, "the general public's understanding of standards-based reform is based on the news coverage it receives."

ANALYSIS: As an avid supporter of standards-based reform, John Davis is well located in a state where this hard-to-explain, hard-to-sustain effort is so well begun. Few states can boast a sturdier effort to ensure that standards-based reforms are successfully implemented and sustained. But Massachusetts isn't unique. Many states have organized groups promoting standards-based education reforms and, once such reforms are enacted, sustaining them in the face of public "backlash"

or weak implementation. This watch-dog-and-advocacy role is well suited to the business community, which has a strong interest in seeing better-prepared graduates join the workforce and is not overly beholden to the education establishment.

Davis exemplifies a philanthropist who truly "gets it." He is putting his money and personal time into an effort that he believes in and that he knows will benefit students in the end, even though it doesn't bring the sort of instant gratitude that he might get from supporting after-school programs and teacher prizes. To the contrary, the Massachusetts teachers' unions have launched a costly campaign against standards-based reform that is keeping the public debate on this issue highly charged and contentious.

CONCLUSION: Every state could use a few good people like John Davis to get personally and financially involved in standards-based education reform.

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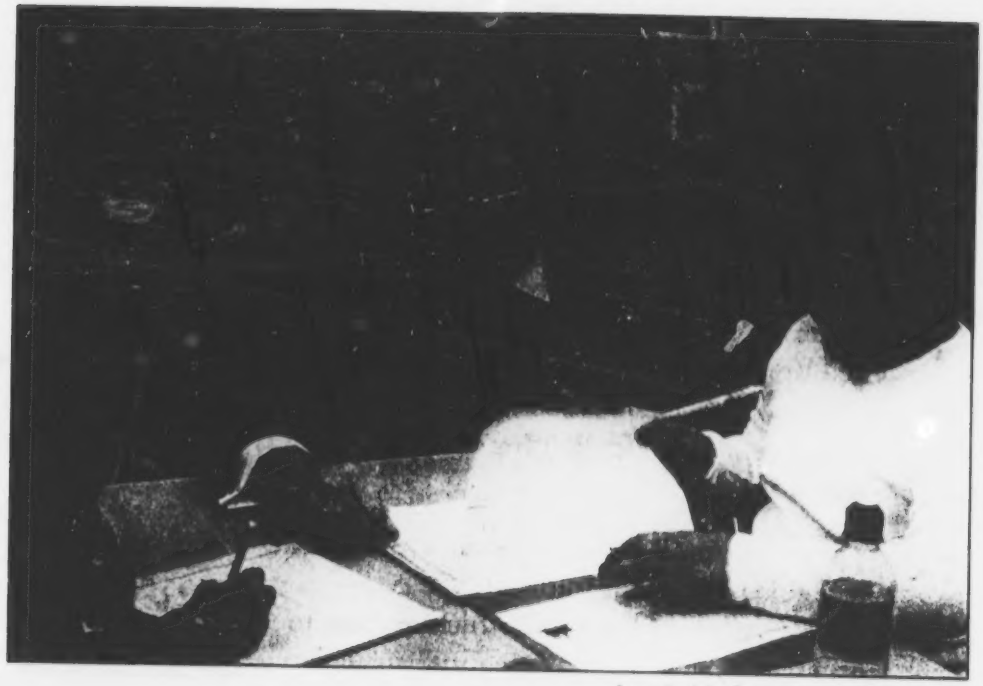

Louis V. Gerstner, Jr., CEO

IBM CORPORATION:
REINVENTING EDUCATION

- Standards-based Reform: *General Support and Leadership*
- Organizational Involvement: *Moderate*
- Level: *National*

Philanthropy: IBM Corporation

Location: Armonk, New York

Project: Reinventing Education

Primary Goal: To improve the quality of American public schools primarily through technology-linked, standards-based reforms.

Contribution and Timeframe: $45 million since 1994, plus $25 million pledged in 2001.

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OVERVIEW: Under the leadership of CEO Louis V. Gerstner, Jr., IBM has been a prominent corporate supporter of standards-based reform at least since 1994, when it unveiled its "Reinventing Education" program.

Gerstner's motivation is not purely altruistic. "We see a commitment to education as a highly strategic business investment," he explains. "We are investing in our future labor force and our future customers. IBM's success as a company is inextricably tied to the success of schools throughout the world." (Indeed, IBM has now extended Reinventing Education's reach to eight international sites in addition to the 15 districts and six states it works with in the U.S.)

Reinventing Education provides participating schools with technology—IBM technology, of course—as well as technical services, while seeking to restructure them to focus more tightly on improving and monitoring student achievement. The program was intended to break from the familiar practice of simply donating equipment and technology to schools, and from what Gerstner considers "feel good" efforts like adopting schools. Instead, its goal was "to create change that was systemic, institutionalized and scalable."

IBM used a request-for-proposal process to select schools or groups of schools that were "ripe for sustained, systemic change." Participating schools were asked to explain their particular challenges in raising student achievement. IBM then tailored its technologies to address those challenges. IBM employees were sent to the schools to train teachers and staff on the new technologies. The first round of ten grants, provided in 1994, eventually yielded five computer programs, including "The Digital Portfolio Assessment Tool," which allows teachers to compare student work to state standards and track pupil progress; "Wired for Learning," which allows parents to monitor their children's work and gauge their progress vis-à-vis state academic standards; and the "Data Warehouse," which helps schools and districts handle the reams of student- and classroom-level data that they amass but rarely use well. (The other two programs—"Watch-Me-Read" and "Visual Venture"—are

more typical applications that help students learn basic skills.) The second round of Reinventing Education grants in 1997 spread the use of these five programs to 12 new sites.

The third round, announced in 2001, will focus on teacher quality. IBM says it seeks to "work side by side with schools of education and school districts to transform how teachers are trained" using new technologies.

> *To remain successful in an increasingly competitive and global marketplace, IBM must have a highly skilled workforce. We also must have a well-educated base of customers who ultimately create demand for our products and services. Given the current crisis in America's public school system, IBM — as well as every other U.S. company — will be hard pressed to succeed unless we see a dramatic improvement in the skills of the young people entering the workforce.*
>
> —LOUIS V. GERSTNER, JR., *Chairman and CEO, IBM*

In addition to school-level efforts, Lou Gerstner and his colleague Stanley Litow, IBM's vice president for corporate community relations and president of the IBM International Foundation, play prominent roles in the national dialogue about standards-based reform. They hosted the 1996 and 1999 National Education Summits, attended by business leaders, governors and prominent educators, to assess the progress of the standards movement and identify ways to invigorate it. Gerstner also co-chairs the Business Coalition for Excellence in Education—a group of CEOs pushing for strong standards-based reforms at the national level—and Achieve, Inc., a non-profit organization of governors and corporate leaders that helps states to raise academic standards, improve assessments and increase accountability.

ASSESSMENT STRATEGY: IBM engaged the Education Development Center of Newton, MA to evaluate Reinventing Education over three years. This evaluation stated that the program had "a significant positive effect on student achievement," including academic gains for participating students in grades 7-11. (Some external reviewers of this study,

however, found it more reliant on educators' impressions than on hard evidence about student learning.)

ANALYSIS: The standards-based reform movement has benefited greatly from the involvement of this highly visible and prestigious company and its steadfast and articulate leaders. No doubt IBM also benefits from its prominence in education reform and from the new products and marketing opportunities thus created.

CONCLUSION: Technology itself is no panacea, but when tied to sensible reform strategies it has huge potential. IBM shows how that potential can benefit schools and children even as it advances the company's own goals. It's a remarkable fusion of public and private interests that is light years beyond typical corporate engagement with K-12 education.

FOR MORE INFORMATION:

IBM Corporate Community Relations
Stanley Litow, Vice President
New Orchard Rd.
Armonk, N.Y. 10504
Phone: (914) 499-5242
www.ibm.com/ibm/ibmgives/education

Tom Luce

TOM LUCE:
JUST FOR THE KIDS

- Standards-based Reform: *Disseminating Information on School Performance*
- Personal Involvement: *High*
- Level: *State*

Philanthropist: Thomas W. Luce, III

Residence: Dallas, Texas

Project: Just For The Kids

Primary Goal: To provide the public with intelligible, up-to-date information about the performance of Texas schools.

Contribution and Timeframe: Luce has provided more than $500,000 to Just For The Kids since he helped launch it in 1995. The project has an annual budget of about $800,000.

OVERVIEW: Although he says he got involved in education "almost by accident," Tom Luce has played a vital role in Texas education reforms, especially those related to raising academic standards. A lawyer by day, Luce became an early leader of the school reform effort that began in 1983 under the direction of businessman Ross Perot (who was one of Luce's clients). Perot recruited Luce to help push the legislature to enact a wide-ranging education reform measure that would hold Texas schools and educators to high academic standards and more accountable for their students' success. The measure passed—with most of the Perot/Luce reforms included—in 1984.

> *Working in education reform requires persistence—it's like trying to turn around the Queen Mary. One night, very late at night, I was working on the [education reform] bill at the statehouse, and a school administrator looked me in the eye and said, "Young man, one year from now you'll be gone and we'll go back to doing what we've always been doing." But 17 years later, I'm still here.*
>
> —TOM LUCE, *Founding Partner, Hughes & Luce, LLP*

Since then, Luce has been involved in numerous efforts to promote standards-based reform in the Lone Star state. By the mid-1990s, however, he realized that, while Texas had done a good job of installing a strong testing and accountability program, a vital component was missing: the public still lacked clear information about its schools.

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Luce believes that standards-based reform can only succeed when people can access easy-to-comprehend information about how well individual schools are succeeding at meeting the standards. While Texas produced reams of data on school performance, that information was not readily available to parents considering where their children should go to school or to educators evaluating what works in various settings or for specific pupil populations. Luce set out to organize, analyze and disseminate the state data in a way that would be intelligible and helpful to parents and the broader public.

The result was Just For The Kids (JFTK), a nonprofit organization devoted to providing Texans with accurate information about their schools. JFTK's website (www.Just4Kids.org) is a kind of *Consumer Reports* for Texas education. It provides school-by-school information about pupil achievement and comparisons with state and national averages as well as with other schools serving similar youngsters. Each profile shows how many students have passed state tests in each subject, the pass rate for pupils who have attended the school for at least three years, and the pass rates for the most successful schools in the state serving demographically similar children.

Luce wants to help educators learn from student achievement data and from one another's successes. Since October 1998, JFTK has trained more than 1,600 school leadership teams representing more than 350 districts in how to use the JFTK data to boost their students' achievement. It has also sent retired teachers and principals to outstanding schools to document their practices so these can be shared with other educators.

Donors can also use the JFTK database to appraise the impact of their education reform projects in Texas. For example, the Exxon Education Foundation is using JFTK data to appraise a math initiative it supports in Houston.

ASSESSMENT STRATEGY: While Luce knows that the JFTK website is being used (in 2000, it received 500-1,000 hits per day), he says he will know whether the project is having a positive impact when student achievement improves.

ANALYSIS: Tom Luce has added a vital piece to the standards-based reform puzzle in Texas: the dissemination of clear information about pupil and school progress. Not surprisingly, philanthropists and education organizations throughout the nation have besieged Luce and his team about replicating JFTK in their states. Turns out some of them won't have to: JFTK will expand its own website in early 2002 to provide school-level data for five more states (AR, FL, MN, TN, and WA) with the help of funding from private foundations.

CONCLUSION: While JFTK might benefit from some surveys to see how parents, teachers, and others are using its data, and how it might improve its offerings, we have only the highest marks to give this cogent, well-run effort to ensure that Texans know exactly how well their schools are doing in an era of standards-based reform.

FOR MORE INFORMATION:

Just For The Kids
301 Congress, Suite 575
Austin, TX 78701-4041
Phone: (512) 320-4150
www.Just4Kids.org

The Fisher Fellows, 2001

DORIS AND DONALD FISHER: FISHER SCHOOL LEADERSHIP INSTITUTE

- Competition-based Reform: *Replicating Effective Charter Schools*
- Personal Involvement: *Moderate*
- Level: *National*

Philanthropists: Doris F. and Donald G. Fisher

Residence: San Francisco, California

Project: The Fisher School Leadership Institute

Primary Goal: To create a cadre of trained school leaders to launch new independent public schools across the United States that replicate the academic success of the KIPP Academies.

Contribution and Timeframe: $15 million (pledged in April 2000) to sustain the program for its first three years.

OVERVIEW: Doris and Donald Fisher founded the first Gap store in 1969 in San Francisco. By spring 2001, they had over 3,500 Gap, Banana Republic, and Old Navy stores operating in six countries. Clearly, this duo knows something about successfully replicating a good model. When, during their research into effective education reform efforts, the Fishers came across a highly successful pair of public schools serving at-risk students—the KIPP Academies—they set out to use their philanthropy to replicate these schools throughout the nation, focusing their efforts on training outstanding school leaders to create and oversee more KIPP schools.

The original KIPP Academies were launched by two idealistic, young Teach for America alumni, David Levin and Michael Feinberg. In 1995 they recruited 50 5th graders for their "Knowledge is Power Program," initially operated within a Houston elementary school. A year later, KIPP became its own school, and Levin went to New York to open a KIPP Academy in the Bronx. (Begun as projects within the school district, both schools have since become charter schools.) The KIPP Academies require students to attend from 7:30 a.m. to 5:00 p.m. Monday through Friday, as well as half days on Saturday and for six weeks in the summer. They insist on strict adherence to guidelines for teachers, students, and parents. Their program is built around "Five Pillars": 1) high expectations for academic achievement and conduct; 2) choice and commitment to the school and to each other; 3) more time in school; 4) principals who have the power to lead, with control over their staff and budget; 5) and an unrelenting focus on academic results.

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This design is clearly working: New York's KIPP Academy has outperformed all other Bronx middle schools on state proficiency tests for the last three years. In Houston, 99 percent of KIPP students passed all sections of the Texas proficiency tests in 2001. These results are especially striking for schools serving poor, minority students. Not surprisingly, KIPP has been featured in numerous articles and television programs, including "60 Minutes," and was saluted at the GOP national convention in 2000.

Doris and Don Fisher hope to help launch hundreds of equally effective urban charter schools. They don't insist on exact clones of the

original KIPP Academies, but, rather, distinctive schools based on the overall KIPP design and the five pillars. The "Fisher School Leadership Program" takes ambitious and able young people—"Fisher Fellows"—through a year's worth of training to help them start new KIPP schools in urban settings around the country. In 2000-2001, the first year of the program, four individuals participated; in 2001-2002, 14 fellows are involved. By 2007, the Fishers hope to have as many as 100 fellows preparing to launch their own schools each year.

The year begins with a summer leadership institute at the Haas School of Business at U.C. Berkeley that includes management courses, education and school-design workshops, and development of business plans for individual charter schools. Next, the fellows complete a four-month "residency," which immerses them in the culture and activities of schools employing KIPP's five pillars. During the residency, fellows rotate through each key school unit, assisting—and learning from—the principal, teachers, office managers, fund-raising directors, and counselors. Finally, the fellows spend six months preparing their own new schools, with continued support from the Institute. During their year of training and school preparation, Fisher Fellows receive $45,000 stipends.

ASSESSMENT STRATEGY: New schools will be reviewed after two years of operation to see if they qualify for full KIPP "membership status." Successful fellows will receive a grant for their schools and a personal award of up to $50,000.

ANALYSIS: The scope and long-term vision of the Fishers' philanthropic endeavor are exemplary, as is their plan to evaluate the success of its grantees (the fellows) and to tie consequences to the results. The existing education system is slow to embrace even proven educational designs and programs; the Fishers are setting a terrific example by finding something that works and helping to re-create it on a wide scale.

CONCLUSION: Thousands of low-income students stand to benefit from the Fishers' generosity. Hundreds of excellent new schools may result.

FOR MORE INFORMATION:

Knowledge is Power Program
345 Spear St., 5th Floor
San Francisco, CA 94105
Phone: (415) 399-1556
Fax: (415) 348-0588
www.kipp.org

John Kirtley with six-year old friend

JOHN KIRTLEY: CHILDREN'S SCHOLARSHIP FUND–TAMPA BAY

- Competition-based Reform: *Privately Funded School Vouchers*
- Personal Involvement: *High*
- Level: *State and Local*

Philanthropist: John Kirtley

Residence: Tampa, Florida

Project: Children's Scholarship Fund–Tampa Bay

Primary Goal: To provide low-income children with the opportunity to attend the private school of their choice.

Contribution and Timeframe: $1.5 million over four years.

OVERVIEW: John Kirtley is an energetic, 30-something entrepreneur whose private-equity investment firm has done well. Meeting Kirtley, it's no surprise that he has succeeded in the competitive business world; he's the sort of person who has also competed in triathalons all over the world, including Hawaii's grueling Iron Man. Fortunately for low-income children in Florida, Kirtley is now directing his intense focus and determination into education reforms that will provide them with more and better opportunities.

When he heard about the Children's Scholarship Fund (see Chapter Two), Kirtley says he "was the first to knock on their door and ask about starting a local program." He put up $1.5 million of his own money, received a CSF matching grant, and created a program to provide four-year scholarships to several hundred low-income youngsters in the Tampa area. In its first year, CSF Tampa Bay received more than 12,000 applications. In 2000-2001, it served 325 students at 116 different private schools. Scholarships are based on household size and income. They range from 25 percent to 75 percent of tuition with maximums of $1,500 for grades K-8 and $2,200 for high school.

The program's overhead is low; virtually all its money goes into aiding students. (CSF Tampa Bay employs just one full-time person to ensure that scholarships are paid on time and distributed fairly, and that positive relations with local private schools are maintained.)

Kirtley's goal has always been two-fold: both to create sound new opportunities for low-income students *and* to use the example of satisfied families to push for legislation to provide *all* low-income Florida students with a voucher. In pursuit of that conviction, Kirtley has also thrown himself into the school choice battle, particularly at the state level, expending considerable time and resources in this effort.

In 1999, Kirtley assisted Florida Governor Jeb Bush in persuading state legislators to enact the nation's first state-wide publicly funded voucher program (albeit one limited to children from "failing" public schools). More recently, Kirtley worked closely with education reform allies to enact a tuition tax credit that allows corporations to donate funds for private school tuition assistance (for low-income students) and receive the funds back dollar-for-dollar at tax time. (Each corporation can donate up to 75 percent of what it owes in state taxes.) This

program allows as much as $50 million a year to flow into scholarships for potentially 12,000 low-income Florida students. Now Kirtley is turning his attention to its implementation, particularly to ensuring that an ample supply of private school seats will be available for students who benefit from these tax-assisted scholarships.

> *For me, having thousands of lower income parents willing to spend their own scarce resources to have choice is all the evidence that I need to see to understand that school choice is needed and desired. However, I am well aware that the opponents of choice will continue to say that these funds are not "accountable." I'll make them a deal. If we agree to make all the kids who use the scholarships take the FCAT [the Florida state proficiency test], will they let all the kids in public schools be eligible for school choice?*
>
> —JOHN KIRTLEY, *Founder, FCPInvestors, Inc.*

When not pushing for reform in Florida, Kirtley travels the nation—on his own dime—to brief education officials in other states on the promise of competition-based reforms. He also serves on the boards of two of the most influential school choice reform organizations in the country, Children First America and the American Education Reform Foundation.

The families of Tampa Bay are glad to have John Kirtley in their corner. As one parent put it, "Without these scholarships, I would never be able to afford to send (my children) to private school. It makes a difference. It actually *is* their future."

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ASSESSMENT STRATEGY: Executive Director Michele Cuteri says that the strong demand for scholarships, and the overwhelmingly positive feedback from parents whose students have used them, are ample proof that the program is beneficial. In particular, Cuteri says she has heard from many parents whose children were labeled "learning disabled" in their former schools, but had the label swiftly removed in their new schools and are finding their academic achievement heading upward. The program will also be evaluated more formally for continuation at the end of four years.

Our scholarships are not full-rides. The average yearly income of our families is around $21,000. These families must come up with a minimum of $500 (and in most cases $1,000 or more) to pay part of their children's tuition. I believe this shows how dedicated low-income parents are at trying to help their children attain the best education possible. Because the parents must pay part of the tuition, the schools are carefully scrutinized by the parents and are held to highest level of accountability. Parents in our program are free to move their children to another school if they are not happy with the school their children currently attend. This gives the parents the power to demand excellence from the school.

—Michele Cuteri, Executive Director, CSF–Tampa Bay

ANALYSIS: One might term John Kirtley an education reform "angel." He has a strong, long-term commitment to providing disadvantaged kids with better education opportunities and understands that this fight requires public policy revisions as well as continued involvement during implementation of new reforms. While few philanthropists may be able to muster Kirtley's level of dedication and personal time in this area, many could benefit from understanding how his efforts at both macro and micro levels serve to advance education reform.

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CONCLUSION: John Kirtley's understanding of and devotion to "transformational" education reform will undoubtedly benefit thousands of Florida children now and in years to come.

FOR MORE INFORMATION:

Children's Scholarship Fund–Tampa Bay
Michele Cuteri, Executive Director
P.O. Box 1670
Tampa, FL 33601
Phone: (813) 222-8009
www.scholarshipfund.org

JACK AND ISABELLE MCVAUGH: ARIZONA SCHOOL CHOICE TRUST

Competition-based Reform: *Tax Credits for Tuition Assistance*

Personal Involvement: *High*

Level: *State and Local*

Philanthropists: Jack and Isabelle McVaugh

Residence: Scottsdale, Arizona

Project: The Arizona School Choice Trust

Primary Goal: To provide low-income families with the opportunity to send their children to private schools of their choice.

Contribution and Timeframe: Approximately $100,000 since 1992.

OVERVIEW: The story of how Jack and Isabelle McVaugh helped change Arizona's discourse on school reform is compelling. After retiring there in 1992, the McVaughs became intrigued with the potential of private voucher programs to help low-income students attain a better education. Following the lead of Indiana's J. Patrick Rooney—whose Educational CHOICE Charitable Trust, launched in 1991, was the prototype for many private voucher programs—the McVaughs worked with State Senator Tom Patterson and other allies to create the Arizona School Choice Trust (ASCT). This nonprofit organization initially provided 50 to 100 private school scholarships per year to low-income families in Maricopa County. Funds were raised through private donors (the McVaughs among them). Participating students were chosen on a first-come, first-served basis, and were all low-income.

> *"Regarding the McVaughs, I can only tell you their singleness of purpose and selflessness in this endeavor are amazing. . . . Clearly, without their disciplined focus, the [Arizona School Choice] Trust would not have provided so many opportunities, nor would we have succeeded in our tax-credit bill because the opposition would have been able to create hypothetical horrors, and what the McVaughs' leadership gave us was real families and their compelling stories. They are heroes."*
>
> —LISA GRAHAM KEEGAN, *CEO, Education Leaders Council and former Arizona Superintendent of Public Instruction*

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Seeking ways to provide significantly more needy students with access to private schools, the McVaughs and Senator Patterson worked in concert to see the state legislature pass a tuition tax-credit law that would allow individuals to donate to organizations like the ASCT and have their donations returned to them, dollar for dollar, at tax time. Though the McVaughs and ASCT staff did not directly lobby, they played a key role in the legislative battle. According to Patterson, "Everyone in the

legislature knew about ASCT, and believed that this would be the type of organization that would flourish with the tax credit." The bill passed in 1997, allowing individuals to claim tax credits for donations to scholarship organizations as well as to public schools (but donors may not use this credit for their own child's direct benefit).

ASCT supported 100 students in 1998-1999. Thanks to new donations raised by encouraging use of the tax credit, it was able to serve 380 children in 1999-2000 and more than 700 in 2000-2001. The McVaughs project a tenfold increase during the next two years, although they stress that, even with the tax-credit legislation on the books, they must continually work to explain it to Arizonans and encourage them to use it. One favored strategy is to persuade local businesses to encourage their workers to avail themselves of this tax credit.

ASCT continues to distribute scholarships on the basis of need; the average income for families receiving its assistance is around $22,000. But not all of the 35 Arizona scholarship organizations that have been created to make use of the tax credit focus on low-income students. Some allow contributors to name a particular recipient—perhaps their neighbor's child. This is legal but, to the McVaughs, not the true purpose of the law. In an opinion piece for the *Arizona Republic,* Jack McVaugh wrote, "We are disappointed that some of the school tuition organizations have allowed their contributors to specify the child receiving the scholarship. We avoided doing this because of potential abuse. We have tried to stick to the moral high ground, hoping that the tax credit can provide its true purpose—giving help to deserving families who lack the resources to provide a better education for their children."

The McVaughs also worry that benefactors may become overly reliant on the tax credit. "We don't want to be dependent just on the tax credit," says Isabelle McVaugh. "You never know about laws. Someone could just decide to drop it." In order to secure the program's future, the McVaughs continue to raise significant funds from private donors in addition to what can be returned through the tax credit.

ASSESSMENT STRATEGY: Like many supporters of competition-based reform, the McVaughs believe that the unmet

scholarship demand from low-income families is reason enough to continue the program. And when a family seeks help with tuition, ASCT will offer that help for as long as it is wanted. The program's focus is not on tracking individual student progress or judging test scores; ASCT believes that parents are capable of making good decisions for their children.

ANALYSIS: While we would encourage the McVaughs to design a research strategy to track the achievement of their scholarship recipients so that successes could be shared and replicated elsewhere, it's hard to fault their approach to education reform philanthropy. They sought to provide low-income families with better education opportunities—so they created a scholarship fund to do precisely that. Wanting to do even more, they turned to the messy work of legislation to create additional opportunities for low-income students and donors wanting to help them.

CONCLUSION: This is an excellent example of achieving education philanthropy goals through a combination of tackling public policy while supporting on-the-ground activity with one's own energies and dollars.

FOR MORE INFORMATION:

Arizona School Choice Trust
3737 E. Broadway Rd.
Phoenix, AZ 85040
Phone: (602) 454-1360
www.asct.org

ROBERT AND HELEN STRAUSS: MAYA ANGELOU PUBLIC CHARTER SCHOOL

- Competition-based Reform: *Support for a Charter School*
- Personal Involvement: *Low*
- Level: *Local*

Philanthropists: Robert and Helen Strauss

Residence: Washington, D.C.

Project: The Maya Angelou Public Charter School

Primary Project Goal: To support a new charter school serving troubled inner-city high-school students.

Contribution and Timeframe: $1 million in 1999.

OVERVIEW: Robert Strauss has enjoyed a long and respected career in the nation's capital. A one-time FBI agent as well as an attorney, Strauss has served as the Democratic Party chairman, special trade representative for President Jimmy Carter, and ambassador to the former Soviet Union (under President George Bush). A few years ago, Ambassador Strauss returned to the law firm he helped found, although he still makes time to visit the White House when the President—now George W. Bush—seeks his counsel.

According to Strauss, he and his wife Helen supported various "typical" causes over the years in Dallas, where they formerly lived, and in Washington, D.C., where they've resided for three decades. Most of their donations have been modest in size. A few years ago, however, Strauss says he "got fed up with … grants not getting to where I'd like my charitable dollars to go" and he began searching for some way to help the D.C. community with "a contribution that would make a difference." The plight of underprivileged children touched both the ambassador and his wife, so when a friend, D.C.-based lawyer Reid Weingarten, told them about a new charter school that was serving deeply troubled Washington high-school kids, the Strausses decided to learn more.

They met with the founder of the Maya Angelou Public Charter School, David Domenici (son of New Mexico Senator Pete Domenici), and reviewed his program and school. This school enrolls at-risk youngsters ages 16-21, many of whom have been through the juvenile justice system. It provides an intense 11-hour school day that melds academics with work experience (students run a catering business, photo lab, and technology program), operates year-round, and has a five-to-one student/teacher ratio. The school spends about $20,000 per student, twice the budget of regular public schools in D.C.

Strauss says it was "so obvious that the school's making a difference. While maybe one-third of its students is too far gone to help, another third stands a reasonably good chance to be helped and a third is a cinch to help." Those odds sounded reasonable to the Strausses, who are well aware of how many District youngsters fail to break out of the cycle of poverty, illiteracy, and crime. In 1999, the couple decided to provide a $1 million grant to the school—the largest single dona-

tion ever received by a D.C. charter school. This gift was "carte blanche"; in other words, the school could use the funds as it saw fit. The result: it helped hugely with the renovation and purchase of a facility to meet all the school's needs—including a small dorm for some students. Domenici says this donation "totally changed the future possibilities for our school and our kids. Facilities—obtaining and renovating and financing—are the biggest hurdle for public charter schools."

Ambassador Strauss emphasizes that his gift was not an attempt to make a statement about education reform, or to gain publicity for himself. He says he simply believes in the school and is "convinced that it's saving lives." Still, he thinks it would be swell if other philanthropists, learning of this story, were to make similar gifts to worthy schools. "You get more out of it than what you give," he explains.

ASSESSMENT STRATEGY: None, although Ambassador Strauss stays in touch with the school to monitor its progress. Also, the city's regular charter monitoring and testing systems yield data that can be used to track success. (While the latest available test scores for the Maya Angelou Public Charter School [from 1999-2000] showed the vast majority of students still falling "below basic," those who had been in the school for at least two years had made gains of 57 percent in reading and 50 percent in math.)

ANALYSIS: A basic premise of charter school reform is that these schools will be free to innovate in the hope of discovering successful strategies and practices that other schools can adopt. The Maya Angelou Charter School is indeed trying something different—something the traditional public school system would have difficulty undertaking—with some of the hardest-to-teach students. The level of resources and services it provides these students is uncommonly high—but compared with what these young people might cost the city in crime, welfare and unemployment, the investment is surely worthwhile. Founder David Domenici wanted to provide his troubled pupils with a stable environment and support network. A facility to house and teach these kids was essential, but not within the school's budget. The Strauss's generosity was key to the school securing such a facility.

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CONCLUSION: This gift made it possible for a promising school to establish itself in a facility suited to its program. Almost all charter schools would benefit from such help.

FOR MORE INFORMATION:

Maya Angelou Public Charter School
1851 9th Street, NW
Washington, DC 20001
Phone: (202) 939-9080
www.seeforever.org

John Walton

JOHN WALTON:
NATIONAL CHARTER SCHOOL SUPPORT

- Competition-based Reform: *Charter Schools*
- Personal Involvement: *High*
- Level: *National*

Philanthropist: John Walton

Residence: Jackson Hole, Wyoming

Project: Charter school support through the Walton Family Foundation

Primary Goal: To increase the number and improve the quality of charter schools in the United States.

Contribution and timeframe: More than $33 million since 1997.

OVERVIEW: In the world of education reform, few people come close to contributing the level of personal resources and time as John Walton. A low-key, unassuming man, this Wal-Mart heir has quietly funneled millions into programs and projects that provide new educational opportunities for thousands of low-income children while also creating significant competition to the existing system. His efforts and those of the Walton Family Foundation (WFF) have also hugely strengthened America's privately and publicly funded voucher programs, but it is their steadfast support of the national charter school movement that we highlight here.

John Walton understands the importance of working both at the policy level and on the ground. He and the WFF assist national and state groups working to strengthen the charter movement via research, evaluation, and legislation. They also support individual charter schools, many of which have difficulty getting off the ground. In 2000, for example, WFF provided grants totaling $16 million to:

- National groups that support charter schools through research, dissemination and public information campaigns, such as the Pacific Research Institute, the Center for Policy Studies, and the Center for Education Reform.
- National organizations that help fight charter policy battles at the state and federal levels, such as the Charter Friends National Network.
- Charter school resource and support centers in Colorado, Massachusetts, the District of Columbia, and elsewhere.
- Dozens of individual charter schools, which received planning, start-up, and/or expansion grants ranging from $10,000 to $160,000.

Walton explains, "We have enthusiastically supported the charter movement—as well as vouchers and scholarships to private schools—because we believe empowering parents to choose among competing schools will catalyze improvement across the entire K-12 education system, benefiting all children regardless of the school they attend. The simple fact that charter schools are chosen by families, not forced

upon them, will begin to change how Americans think about public education. Charter schools have a good and improving record, even though they are hampered by inequitable operations funding and nonexistent funding for facilities. As these inequities are addressed through better legislation, charter schools will help transform education throughout this country."

ASSESSMENT STRATEGY: According to Cathy Lund, the WFF's project director for charter schools, the effectiveness of grants given to individual schools is judged by their impact on student achievement (primarily by tracking test scores and comparing them with demographically similar schools). For organizations and charter-related programs, the foundation assesses whether they are making tangible progress toward their specific goals; if not, funding is discontinued.

ANALYSIS: Few philanthropists may be able to match Walton's contributions to the national charter movement, but many could support charter schools in their own communities and states, and could do so in a similarly multi-faceted way. If more donors kept an eye on the "big picture" and supported the charter movement's political, legal and policy battles while also aiding individual schools, this reform would stand a better chance of providing educational opportunities to more children at a faster pace—and would be better able to combat its enemies and solve its problems.

CONCLUSION: John Walton provides an excellent model of high-impact philanthropic giving in support of choice-based education.

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FOR MORE INFORMATION:

The Walton Family Foundation
P.O. Box 2030
Bentonville, AR 72712
Phone: (501) 464-1570
www.wffhome.com

CHAPTER FIVE

ON THE GROUND IN DAYTON: THE FORDHAM EXPERIENCE

THE THOMAS B. FORDHAM Foundation (TBF) is an unusual hybrid. On the one hand, we operate as a think tank, promoting education reform ideas via policy research, publications (such as this one), and the media. That part of our work is national in scope. But we also stick to our roots, which are firmly planted in Dayton, Ohio, home of the late Thomas B. Fordham. There we function as a more conventional private foundation, making modest grants to worthy causes and organizations, and sometimes using grant money to launch new programs or organizations.

In all these roles, we focus exclusively on the transformation of elementary/secondary education. As a think tank, we try to shape policy ideas at the macro level; as a Dayton-centered private foundation, we support real-world projects and programs that serve real kids and create (and improve) real schools, while hewing to our broader philosophy of education reform. We are by no means expert philanthropists; we are learning as we go, frequently by making mistakes or misjudgments.

While the "war of ideas" is often exasperating—in part because it's so difficult to determine whether one's efforts are succeeding—our work in

Dayton allows us more immediately to "put our money where our mouth is." Still, it's a continuing challenge to ensure that our modest resources leverage real benefits for children—and in a sense it's riskier, because the effects on those children are so much more palpable and immediate.

One common denominator: everything we do is based in research about what works as well as strongly held convictions about how the world of K-12 education needs to change. We also conduct and sponsor research and evaluations, both at the national level and in Dayton. Indeed, we try to include a research and evaluation component in every project we support in Dayton. It's essential, we think, to determine whether a project is succeeding, how it can be fine-tuned, and if it's worth continuing and replicating.

BACKGROUND

While Dayton doesn't have the visibility of a New York, Los Angeles, or Philadelphia, it shares many of the same challenges. Three decades of rust-belt economics, forced busing and middle-class flight have taken their toll. Once a city with a predominantly white population, Dayton's population is now 70 percent African-American and disproportionately poor. The continuing woes of the public schools have been one stimulus for—and result of—the middle-class exodus: those who could afford to move to the suburbs have done so. Families remaining in the city have watched their public schools deteriorate: by 1999, just one Ohio district scored lower than Dayton on the state's report card. Dayton passed only three of the state's 27 standards that year—a weak record that it repeated in 2000—and found itself designated an "academic emergency" district. In 2001, it passed just two of the state's 27 standards. As performance has deteriorated, so has enrollment in the Dayton Public Schools: from 60,000 students in the 1960s to 20,000 today.

While the current superintendent and her predecessor have been imaginative and well-meaning, each has been hamstrung by an ineffectual, quarrelsome, and highly political school board, by a change-averse bureaucracy, by an acute lack of strong middle managers, and by a restrictive contract with the teacher union, a group that can scarcely be described as eager for reform.

The previous superintendent departed when a state audit revealed a large, unexpected budget deficit in the district. That problem continues. The system has difficulty making tough fiscal choices and is constantly scapegoating others for its financial woes or looking to others to bail it out. This, despite the fact that Dayton has the highest per-pupil spending level of Ohio's eight large cities.

Dayton has had many earnest and energetic education reformers over the years, and much has been tried. Some "reforms"—including some catalyzed by major national foundations—are generally believed to have made matters worse. Others have tended (like state and federal "categorical" programs) to pull schools apart into congeries of rival programs, each with its own budget, dedicated staff, and outside constituencies. Dayton has been blessed with some reform-minded folks in the business community, the local universities, and the principal newspaper. It has also been plagued by local political leaders who, most of the time, seem interested in everything *but* education.

How have we, a small education-oriented foundation with Dayton roots (and some Dayton trustees) but no Dayton office, crafted our own mission? Our overarching goal is to provide better educational opportunities for Dayton children who need them the most while also improving the long-term quality and performance of K-12 education throughout the community.

That's a tall order, of course, and we can't begin to say we've filled it. Our present strategy divides into three categories:

- **Supply:** Working to increase the number of excellent education options available to needy Dayton students, primarily via charter schools and scholarships to private schools.

- **Demand:** Informing parents and community about education issues and possibilities and encouraging them to demand more and better options for children.

- **Public School Reform:** Assisting the system to compete with new alternatives by improving its own offerings and services.

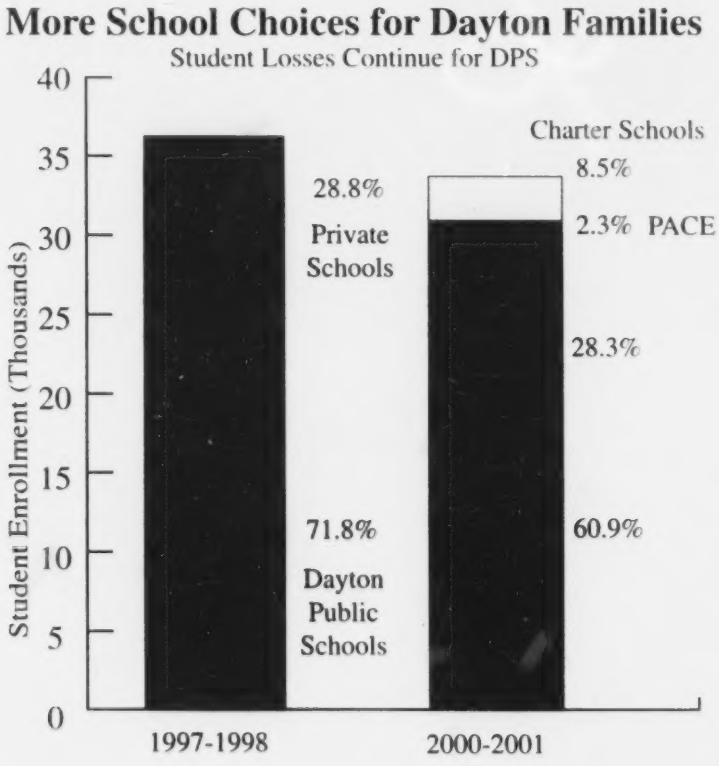
In all our work, we rely on relationships and partnerships with key players on the ground in Dayton, primarily business and foundation allies, to ensure that reform efforts are collaborative, well planned, and effectively implemented.

SUPPLY

Working with those partners, our greatest progress to date can be seen on the supply side. Our annual budget for Dayton education reform is a little shy of $1 million. The largest single item in that budget is $400,000 to help underwrite a private scholarship program that assists nearly 1,000 low-income children to attend the private school of their family's choice. (It would also be fine with us if they attended better public schools, but most local school systems haven't been willing to accept them—and under Ohio's weak open-enrollment law they're not obliged to.) We helped launch this project in 1998 via a new community-based organization called Parents Advancing Choice in Education (PACE). More recently, the PACE scholarship program has become the local partner of the nationwide Children's Scholarship Fund (CSF), founded by Ted Forstmann and John Walton. Our foundation's annual gift to PACE serves as Dayton's "matching dollars" for CSF.

We expect to stick with PACE for some time to come, both because children are in the program now whose education we intend to see through high school, and because we believe this program has many collateral benefits for the community. From our point of view, a private scholarship program is one of the most direct ways to provide low-income families with school choice while showing policymakers that choice can reduce the achievement gap between disadvantaged and middle-class youngsters. Two years of research that we helped to sponsor, performed by a team led by Harvard political scientist Paul E. Peterson, have shown that African-American kids in Dayton made significant academic gains once enrolled in private schools of their choice. (Similar findings were found in the programs in Washington, D.C., and New York City—see Chapter One for more information.) Dayton would not have been part of that study had not we, and the PACE board, sought to participate—and mustered the resources to pay for it.

Besides PACE, our "supply" strategy has concentrated on developing successful charter schools in Dayton by helping the community take maximum advantage of a new state law allowing "start-up" charters in troubled urban school districts. Here, too, we see ourselves as assisting in the creation of sound education opportunities for needy children in the near term while advancing the larger cause of education reform over the longer term. The charter school movement has really taken off in Dayton, and these schools have proven popular. During the 2000-01



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school year, 11 charter schools enrolled about 3,000 children, equal to 15 percent of the public schools' enrollment and one of the highest percentages in the nation. Dayton's charter schools (formally called "community schools" under Ohio law) are highly diverse. Most, though not all, are off to solid starts. The early returns—after just two or three years of operation—have shown us that these schools have considerable promise but

need more attention. Some are organizationally troubled. Many are not yet producing solid academic results. Solving those problems is now our highest charter school priority in Dayton and Ohio.

Charter School Support

We assist charter schools in Dayton in five ways. First, we support individual charter developers with start-up, development, and emergency grants, normally in the range of $25,000-$30,000. (Our criteria for such grants are available on our website.)

Second, early in 2000, we launched one of the nation's first charter school "incubators" to take a handful of carefully selected school development teams through a rigorous training process in order to ensure that their new schools are well-governed, well-managed, operationally sound, and based on solid education research. In its first year, the incubator took four schools through that process at a total cost of about $170,000. All four developers incorporated proven education models like Direct Instruction, the KIPP Academy model, and the Core Knowledge curriculum. (The incubator has now been absorbed by the Education Resource Center, described below.)

Research-proven School Design Models

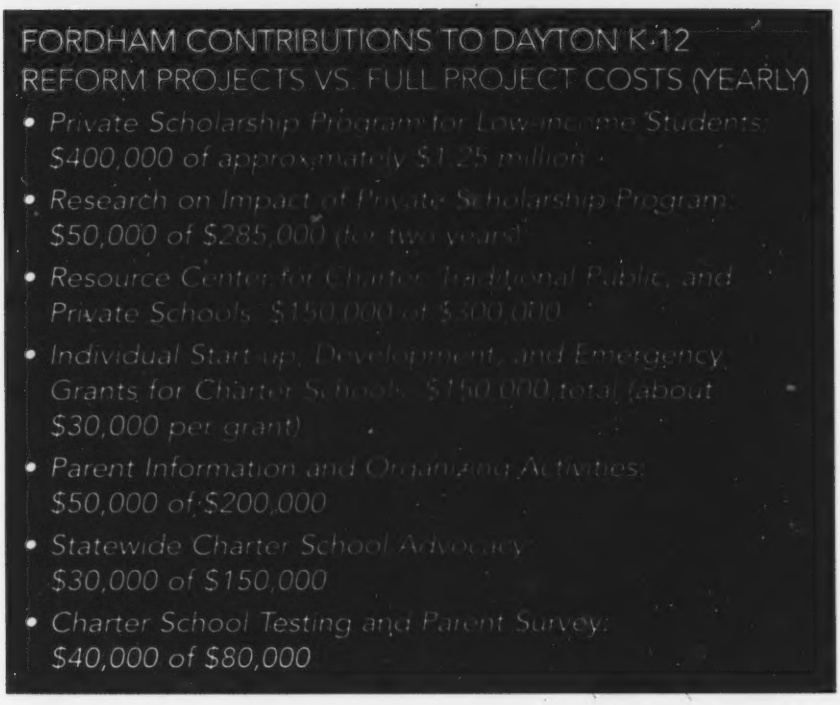
KIPP Academy	www.kipp.org
Core Knowledge	www.coreknowledge.org
Direct Instruction	www.nifdi.org
Success for All/Roots and Wings	www.successforall.net
School Development	www.info.med.yale.edu/comer/
High Schools That Work	www.sreb.org/programs/hstw/
Modern Red Schoolhouse	www.mrsh.org

Third, we support technical assistance for all charter schools in Dayton via a resource center much like those in other states and communities. When that center's first organizational home became unstable, we worked with Dayton allies to redesign a sound means of providing targeted assis-

tance, trouble-shooting, and advocacy for local charter schools. In the end, we agreed that these services should be provided to *any* area school ready to embrace effective education reforms or in need of business services. The Dayton Education Resource Center now assists individual schools with such issues as curriculum development, transportation and facility woes, state testing and student reporting requirements, state and federal legal requirements, and finding affordable insurance. The center is housed at the Dayton Area Chamber of Commerce, a strong education reform ally, which provides it with in-kind services and administrative assistance.

Fourth, we have tried to keep a research-and-evaluation component firmly attached to the charter movement in Dayton, underwriting and helping to design student testing and parent (and general public) survey projects. We do not take for granted that charter schools will always succeed; hence it's vital that they (like other schools) be as transparent as possible so that everyone can determine how well they're actually working. To this end, we have funded a project in which Dayton charter schools use value-added tests (Stanford 9, in this case), given at the beginning and end of each school year to track individual student progress, and agree to make the results public. Surveys also help keep tabs on what people in Dayton think about education. In 1999-2000, we underwrote a charter school parent "satisfaction" survey to see how parents felt about their new choices. (The results were overwhelmingly positive.) In 2000-01, we supported a survey of Dayton area residents to see 1) how parents feel about their child's school (and how that varies among charter, traditional public, and private school parents) and 2) how the broader public feels about various education reforms.

Finally, recognizing that the strength and vitality of the charter movement in Dayton depends hugely on policy and funding decisions at the state level, we helped create, and continue to support, a statewide charter school resource center. We cannot have a healthy crop of charters in Dayton if the state isn't there to support them—and if the statewide charter movement is not in good shape. This statewide resource center played a particularly valuable role in defining ways to improve Ohio's charter school law during the most recent session of the state legislature. It is currently organizing a legal defense against a teacher union-led lawsuit seeking to invalidate the Ohio charter law.


FORDHAM CONTRIBUTIONS TO DAYTON K-12
REFORM PROJECTS VS. FULL PROJECT COSTS (YEARLY)
• Private Scholarship Program for Low-income Students:
$400,000 of approximately $1.25 million
• Research on Impact of Private Scholarship Program:
$50,000 of $285,000 (for two years)
• Resource Center for Charter, Traditional Public, and
Private Schools: $150,000 of $300,000
• Individual Start-up, Development, and Emergency
Grants for Charter Schools: $150,000 total (about
$30,000 per grant)
• Parent Information and Organizing Activities:
$50,000 of $200,000
• Statewide Charter School Advocacy:
$30,000 of $150,000
• Charter School Testing and Parent Survey:
$40,000 of $80,000

DEMAND

On the demand side of our reform strategy in Dayton, we seek to inform parents about education options for their children and to assist them to press for more such opportunities. The PACE program, with our support, has expanded to provide such information to parents across the community and to help them organize for greater effectiveness in the policy arena. PACE's new "Parent Network" will focus on helping parents who have been severely limited in their ability to choose their child's school to become savvy consumers and active participants in the education reform arena.

The Parent Network sponsored a recent Schools Fair (we provided some funding for this event) where families could examine their options—charter, traditional public, or private—and talk privately with school representatives. We want to help the Parent Network develop a guide and website to provide information to parents about the distinctive qualities and academic track records of area schools; the availability of scholarships; policy issues; and advice on how to choose a school.

PUBLIC SCHOOL REFORM

The third leg of our Dayton education tripod has been the most frustrating, although we believe the future holds greater promise. So far, we've been able to help one or two individual public schools to strengthen their ability to implement proven curricula and effective teaching methods. (We've made similar offers to other schools but haven't gotten very far.) We've also helped bring expert speakers, advisors, and scholars to Dayton to elevate the education reform discourse, and we've met with community leaders and provided them with information about education reforms undertaken elsewhere.

Working with our allies, we helped arrange for the Dayton superintendent, a current school board member, and a promising school board candidate to travel to Milwaukee to learn from that city's unique array of education reformers. The superintendent also attended a conference in Houston to learn from the education successes of that city (many due to the leadership of then-superintendent Rod Paige). Not long after these expeditions, the superintendent announced a bold reorganization plan for the Dayton school system that would direct more funding to classroom learning, and the aforementioned school board candidate recruited three other reform-minded individuals to run on a slate with her in November.

Meanwhile, we're finding a few new ways to work with Dayton's public schools. For example, the Education Resource Center has arranged with the Dayton superintendent to assist in the creation of four "site-based management" schools for the district (think "charter schools lite") and we are planning to work with a trio of schools—one private, one charter, and one traditional public—to help them more fully embed the Core Knowledge curriculum in their classrooms.

Let us repeat that we do little in Dayton by ourselves. We've found that efforts on the ground are more apt to succeed when they are team efforts, based on mutual goals but benefiting from a range of skills, interests, and community ties and networks. We also believe that most worthwhile reform projects should either phase themselves out or be able to garner support from sources besides our checkbook. Practically everything we're involved with that has succeeded—or looks as if it has a decent chance of doing so—is attributable to on-the-ground allies at least as much as to ourselves.

CHAPTER SIX

GETTING STARTED

WE HOPE THAT the preceding chapters have helped you think about how your education-related philanthropy can have the greatest impact. Before you launch into (or back into) the K-12 education arena, let us briefly recall the issues and questions you should consider at the outset:

- What is your theory of education change? How do *you* believe that reform will most likely come about in K-12 education?
- What, specifically, do you want your education philanthropy to achieve?
- What ought you know about past and current education reform and philanthropic efforts before getting started?
- How involved do you personally want to be?
- How will you gauge success? How will you learn from partial success, even from failure?

The next step is to amass the knowledge needed to maximize your prospects for success. At the end of this chapter we offer a short list of good sources of information regarding K-12 education in the United States.

American education remains in crisis. Several decades of well-intentioned efforts to reform it from within have yielded very little by way of improved outcomes. Millions of children, especially minority and poor youngsters, remain trapped in low-performing schools. Yet it sometimes seems that we adults have given up. Either we've lost our sense of urgency about solving this most fundamental of social problems or we've come to the sad conclusion that it's beyond us. Why is it that the wealthiest nation in the world cannot provide adequate—indeed, excellent—educational opportunities to all of its children? How can the world's one "indispensable nation" continue to retain its global position when so many of its young people are badly educated?

A recent report by the Organisation for Economic Cooperation and Development (OECD) implies that, in fact, we may not be able to sustain this precarious arrangement much longer. In spring 2001, the OECD reported that the United States is "in danger of losing its competitive edge in today's rapidly changing global market." One example: of 18 industrialized countries analyzed, we had the highest percentage of students graduating from high school at a literacy level inadequate to prepare them "for the complex demands of modern life." Nor are we even maintaining our *quantitative* lead. While Americans in their 50s have more education (measured by high school and college completions) than their peers in any other land, several countries now surpass us in the educational attainments of younger adults. The OECD's education director, John Martin, concluded, "For the United States to continue to maintain a very high standard of living, its educational weaknesses must be remedied."

At the same time, American policymakers seem to shun the very reform strategies most apt to transform our education system into something dynamic and capable of serving every student. While other nations are greatly increasing their publicly funded but privately operated schooling (including the United Kingdom, Australia, and Spain), the United States remains mired in a government-centered system. Even our many charter schools (and our few publicly funded voucher programs) have had scant statistical impact on the number of students enjoying "school choice" in America (according to OECD measures). Yet all such reforms, marginal as

they are, come under relentless attack, primarily from the teacher unions and their allies in the education establishment. Despite much lip service paid to standards-based reform, that same establishment is wary of high standards, high-stakes tests, and every form of results-based incentives and interventions for schools and their staffs. No monopoly likes its failures brought to light, nor will it relinquish power without a struggle.

There is a glimmer of hope, however. In the past decade, private philanthropists—including several profiled in this guide—have found ways to provide needy students with better educational opportunities immediately while impacting the system—for the better—in the long term. Weary of trying to push the monopoly to change, philanthropists have worked from outside to force change. Yet their numbers have been few. Our hope is to encourage this small but plucky platoon to swell into an army.

One need not be a Rockefeller or a Walton to make a difference in education. Modest resources can make a big difference so long as they're deployed effectively and shrewdly. Many of today's philanthropists are also rolling up their sleeves and getting more involved in the reform effort, while growing fussier about what they fund and what they expect from their donations. They are bringing much-needed common sense and courage into education reform. We hope that you will do the same.

We don't claim to have the last word on high-impact education philanthropy—but we hope that this guide will help move the enterprise toward greater impact on the things that matter most in education. We intend to serve as a continuing resource to education philanthropists via our website and in person. We earnestly invite you to share with us (and others) what you learn from your education philanthropy efforts.

RECOMMENDED RESOURCES

GENERAL

THOMAS B. FORDHAM FOUNDATION advances research and fresh thinking on a range of education reform issues, including: standards, school choice, charter schools, teacher quality, federal policy, special education, etc. Our "Education Gadfly" weekly email bulletin (archived on our website) provides updates and analysis on the latest developments in the education arena.

1627 K Street NW, Suite 600
Washington, DC 20006
(202) 223-5452
www.edexcellence.net

THE CENTER FOR EDUCATION REFORM is a premier source of school reform news with a particular emphasis on the local/grassroots level. Led by Jeanne Allen, CER is best known for its support of charter schools, although it is involved in many other education reform efforts as well.

1001 Connecticut Ave. NW, Suite 204
Washington, DC 20036
(202) 822-9000
www.edreform.com

THE DOYLE REPORT Published by education technology and school reform guru Denis Doyle, this online newsletter provides comprehensive education reform news and analysis, as well as links to myriad education-related websites.

110 Summerfield Rd.
Chevy Chase, MD 20815
(301) 986-9350
www.thedoylereport.com

EDUCATION LEADERS COUNCIL is a national organization headed by former Arizona Superintendent of Public Instruction Lisa Graham Keegan. It believes that the focus of education should be on students, not the school system; that parents and teachers should be empowered to explore various approaches to education; and that states and communities are better prepared to spend education tax dollars wisely than is the federal government.

1225 19th St. NW, Suite 400
Washington, DC 20036
(202) 261-2600
www.educationleaders.org

NO EXCUSES is a unique Heritage Foundation project dedicated to shining a spotlight on schools that have proven that all students, regardless of race, income level, or family background, can succeed. Heritage also publishes excellent reports on a variety of education reform issues.

214 Massachusetts Ave. NE
Washington, DC 20002
(202) 608-6205
www.noexcuses.org

COMPETITION-BASED REFORM

BLACK ALLIANCE FOR EDUCATIONAL OPTIONS is a national organization aimed at improving the educational opportunities available to black and low-income students in particular. Founded by former Milwaukee Superintendent Howard Fuller, it strongly supports school choice and charter school reform.

501 C St., NE
Washington, DC 20002
(202) 544-9871
www.baeoonline.org

CENTER FOR MARKET-BASED EDUCATION Arizona's education marketplace, this center, a part of the Goldwater Institute, also provides background research on a variety of competition-based education reforms.

500 E. Coronado Road
Phoenix, AZ 85004
(602) 744-9600
www.azschoolchoice.org

CHARTER FRIENDS NATIONAL NETWORK works at the national policy level, coordinating efforts and connecting charter school resource centers, associations, school leaders and reformers. The Network advances research, operates a grant program, and helps start new state-level organizations. Its website provides an excellent state-by-state list of charter school-related organizations.

1295 Bandana Boulevard, Suite 165
St. Paul, MN 55108
(651) 644-6115
www.charterfriends.org

CHILDREN FIRST AMERICA This national organization promotes parental choice in education through private tuition grants and tax funded options. It also serves as a clearinghouse of information on privately-funded voucher programs and assists those programs.

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P.O. Box 330
Bentonville, AR 72712
(501) 273-6957
www.childrenfirstamerica.org

PARENTS IN CHARGE This organization aims to educate the general public about school choice issues. Its website contains a useful set of answers to frequently asked questions about market-based reform.

767 5th Ave., 44th Floor
New York, NY 10153
(212) 752-3310
www.parentsincharge.org

SCHOOL CHOICE 2000 This yearly publication by the Heritage Foundation serves as a national report card for the school choice movement. It provides state-by-state updates on the status of voucher programs and charter schools, political activity, etc.

214 Massachusetts Ave. NE
Washington, DC 20002-4999
(202) 546-4400
www.heritage.org/schools/intro.html

SCHOOL CHOICE WORKS An initiative of the Michigan-based Mackinac Center for Public Policy, this website advances research on school choice, privatization, charter schools, and textbook reviews. It also features video commentaries on school choice.

140 W. Main Street
P.O. Box 568
Midland, MI 48640
(989) 631-0900
www.schoolchoiceworks.org

SCHOOL CHOICE INFO A project of the Black Alliance for Educational Options and Marquette University's Institute for the Transformation of Learning, this website provides comprehensive information about existing school choice (i.e., voucher) programs and research.

2025 N. Summit Ave., #101
Milwaukee, WI 53202
(414) 765-0691
www.schoolchoiceinfo.org

SCHOOL REFORM NEWS A project of Chicago's Heartland Institute, this monthly newspaper reports on school reform efforts nationwide, with a particular emphasis on competition-based reform.

19 South LaSalle, #903
Chicago, IL 60603
(312) 377-4000
www.heartland.org/education/whatis.htm

STANDARDS-BASED REFORM

ACHIEVE, INC. is a bipartisan organization formed in 1996 by governors and corporate CEOs who share the belief that high academic standards, high quality assessments, and accountability for performance can push all schools and students to achieve at higher levels. Achieve is co-chaired by Michigan Governor John Engler and IBM CEO Louis Gerstner.

8 Story Street, First Floor
Cambridge, MA 02138
(617) 496-6300
www.achieve.org

CORE KNOWLEDGE FOUNDATION Founded by E.D. Hirsch, author of *Cultural Literacy* (1987) and *The Schools We Need & Why We Don't Have Them* (1996), the foundation provides specific grade-by-grade content guidelines for the school curriculum as well as help with lesson development and assessment.

801 East High Street
Charlottesville, VA 22902
(804) 977-7550
www.coreknowledge.org

COUNCIL FOR BASIC EDUCATION is a membership organization that promotes a curriculum strong in the basic subjects. CBE sponsors teacher training programs and publishes reports and newsletters.

1319 F Street NW, Suite 900
Washington, DC 20004-1152
(202) 347-4171
www.c-b-e.org

EDUCATION TRUST is a nonprofit organization that promotes standards-based reform particularly as a means to reducing the rich-poor achievement gap. Under the direction of Kati Haycock, the Trust works at the national, state and local level to support strong standards-based reform legislation and effective implementation.

1725 K St. NW, Suite 200
Washington, DC 20006
(202) 293-1217
www.edtrust.org

GREAT BOOKS FOUNDATION is a nonprofit organization offering training and materials for the (school-oriented) Junior Great Books Program as well as adult great books discussion groups.

35 East Wacker Dr., Suite 2300
Chicago, IL 60601-2298
(312) 407-0334
www.greatbooks.org

NATIONAL ALLIANCE OF BUSINESS focuses on improving American workforce competitiveness, including the need to raise students' academic achievement. NAB's Business Coalition for Education Reform unites business leadership at the local, state, and national levels to push for high academic standards and accountability.

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1201 New York Ave. NW, Suite 700
Washington, DC 20005
(800) 787-2848
www.nab.com

NATIONAL ASSESSMENT GOVERNING BOARD provides sound information to the public on what American students know and can do in reading, math, and a range of academic subjects both nationally and state-by-state. NAGB oversees the creation of the "Nation's Report Card" via the federally funded National Assessment of Educational Progress (NAEP).

800 North Capital St. NW, Suite 825
Washington, DC 20002
(202) 357-6938
www.nagb.org

NATIONAL COUNCIL ON TEACHER QUALITY is a new nonprofit organization devoted to the pursuit of teacher quality by bringing common sense to bear on this urgent national priority. It focuses on how teachers should be recruited, trained, and assessed vis-à-vis standards-based and competition-based reforms.

1225 19th St. NW, Suite 400
Washington, DC 20036
(202) 261-2621
www.nctq.org

NATIONAL INSTITUTE FOR DIRECT INSTRUCTION Direct Instruction requires teachers to follow carefully prescribed teaching strategies that have proven successful in raising student achievement, particularly in the early grades. This institute provides information on training programs and approaches for implementing the Direct Instruction model in schools.

P.O. Box 11248
Eugene, OR 97440
(877) 485-1973
www.nifdi.org

NEW AMERICAN SCHOOLS NAS is a non-partisan, business-led nonprofit supporting comprehensive school reform designs (like "Success for All" and "Modern Red School House") that adhere to rigorous requirements to help schools significantly raise achievement for all students.

1560 Wilson Boulevard, Suite 901
Arlington, VA 22209
(703) 908-9500 or
fax (703) 908-0622
www.naschools.org

STANDARDSWORK helps districts and states successfully implement standards-based reform. StandardsWork offers consulting services to create quality standards and design assessments. Don't miss its eight-step action guide for school and community reformers.

1001 Connecticut Ave. NW, Suite 901
Washington, DC 20036
(202) 835-2000
www.goalline.org

EFFECTIVE PHILANTHROPY IN GENERAL

PHILANTHROPY ROUNDTABLE is an association of foundations and individual philanthropists who share a results-oriented approach to philanthropy that is also faithful to the intentions of the donors. The Roundtable holds excellent national and regional conferences, publishes *Philanthropy* magazine, and offers a daily email update on philanthropy news.

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1150 17th St. NW, Suite 503
Washington, DC 20036
(202) 822-8333
www.philanthropyroundtable.org

ABOUT THE

THOMAS B. FORDHAM FOUNDATION

THE THOMAS B. FORDHAM Foundation is a private foundation that supports research, publications, and action projects in elementary/secondary education reform at the national level and in the Dayton area. Further information can be obtained from our web site (www.edexcellence.net) or by writing us at 1627 K Street, NW, Suite 600, Washington, DC 20006. (We can also be e-mailed through our web site.) This report is available in full on the Foundation's web site, and hard copies can be obtained by calling 1-888-TBF-7474 (single copies are free). The Foundation is not connected to or sponsored by Fordham University.

CHESTER E. FINN, JR

CHESTER E. FINN, JR. is John M. Olin Fellow at the Manhattan Institute and president of the Thomas B. Fordham Foundation. From 1985 to 1988 he served as Assistant Secretary for Research and Improvement at the U.S. Department of Education, and from 1988 to 1996, he was a member of the National Assessment Governing Board, including two years as its Chairman. Finn's earlier positions include Staff Assistant to the President of the United States; Special Assistant to the Governor of Massachusetts; Counsel to the U.S. Ambassador to India; and Legislative Director for Senator Daniel Patrick Moynihan.

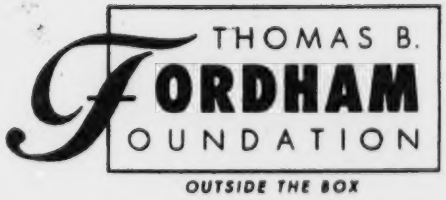
A native of Ohio, Dr. Finn holds undergraduate and graduate degrees from Harvard University. Author or co-author of hundreds of articles and 13 books, he recently published *Charter Schools in Action: Renewing Public Education* (Princeton University Press), with Bruno V. Manno and Gregg Vanourek. In 1999, with William J. Bennett and John Cribb, he authored *The Educated Child: A Parent's Guide from Pre-School Through Eighth Grade* (The Free Press).

Dr. Finn currently serves on a number of boards including K12, Project Achieve, and The Philanthropy Roundtable. Finn also served as founding partner and senior scholar with the Edison Project.

KELLY AMIS

KELLY AMIS is program director of the Thomas B. Fordham Foundation and a research fellow at the Manhattan Institute. Prior to joining the Foundation, Ms. Amis served as national director of the American Education Reform Foundation, which fosters school choice programs across the United States, and as a legislative aide to U.S. Senator Dianne Feinstein. She also taught fifth grade in South Central Los Angeles as a charter corps member of the Teach for America program.

Ms. Amis holds an undergraduate degree, *magna cum laude,* from Georgetown University and a master's degree in education policy analysis from Stanford University. A Fulbright Scholar, Ms. Amis studied education reform in Australia as a fellow at the Australian Council for Education Research in Victoria.



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